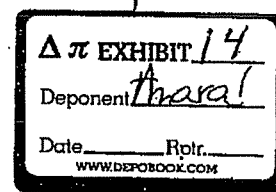


Exhibit A

DECEMBER 22, 1999
YEAR 2000 FINAL BUDGET



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**Coram Healthcare Corporation
Board of Directors, Budget 2000
With Inter-Company Eliminations**

Contents Summary	Page
2000 Key Initiatives	1
Forecast 1999 VS Budget 2000 - Annual	3
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Coram Healthcare Corporation
"Key Initiatives Drivers"
Board of Directors, Budget 2000

New Revenue Growth - \$29mm 7.4%

Generalist versus Specialist Sales force in 2000

New Strategic Business Unit leadership driving new sales and marketing programs - Manage Care carve-outs.

New Hemophilia sales and marketing program expected to grow \$8.0mm (50%) in 2000.

New national contract with United Healthcare (Q1) to replace projected Aetna lost business in (Q2) - 90% confidence level.

Cost of Goods/Mix Improvement

- Commissionable therapy growth of new revenue at 70-80% standard margins versus current mix standard margins of 59%.
- 2000 Sales Compensation only paying on commissionable therapies and EBITDA improvement.
- Target low margin accounts for price increase
- 2000 COS - from drug wholesaler, estimated annual savings \$250,000.

Nursing Cost Savings

- 1% improvement versus 1999
- Primary Care Management Model (PCMM) rolled out to reduce current cost per visit by 10%.
- Standardize use of Home Healthcare Laboratory of America (HHLA) program in 2000
- Moving nurse staffing to more variable versus fixed cost via Per Diems.
- Producing Monthly Management Reports to monitor Nurse Manager's performance under PCMM and HHLA.

Cash Collection Performance

- Reorganize reporting structure by moving Area Reimbursement Managers under AVP Operations to connect the front and back end process.
- All 2000 Bonus and Sales commission plans will be tied to cash collection results to gain total support from each team member to drive results.
- Dedicated individual to work with each Medicare DMERC location.
- Have begun legal communication with delinquent Payor Accounts.

Sale of CPS Q2 - \$70 million generating \$60 million payoff of debt and \$45 million gain

Company Wide Expense Management Control

- Headcount management controls established - budget, performance, staffing model and Sr. Management approval.
- Individual Budget Monthly Accountability; Weekly reporting of new cost savings initiatives
- Elimination of discretionary spending; Micro Management by senior management

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**CORAM HEALTHCARE CORPORATION
BOARD OF DIRECTORS, BUDGET 2000
FORECASTED BALANCE SHEET AND
CASHFLOW ASSUMPTIONS**

	Q1	Q2	Q3	Q4
1) DSO	80	78	76	74
2) AP Aging	50	39	37	40

3) Summary of CPS Sale, April 1, 2000

Estimated cash proceeds	\$ 70,000,000
Estimated costs associated with sale	(5,000,000)
Net proceeds on sale	<u>\$ 65,000,000</u>
Net Book Value estimated	(14,200,000)
Reserves from sale	(5,800,000)
Estimated gain on sale of asset	<u><u>\$ 45,000,000</u></u>

Net proceeds on sale	\$ 65,000,000
Paydown portion of principle on Series B debt	(60,000,000)
Cash available for operations	<u><u>\$ 5,000,000</u></u>

- 4) All interest payments due on Bank debt in 2000 are paid in cash (no PIKs). \$60 million reduction in Series B debt principle from the sale of CPS. Senior Credit Facility line remains at \$44m with a 1/2 % pt. increase in 7/00.
- 5) Credit facility borrowing base, using November 1999 A/R balances, without R-Net and CPS is \$52 million. With the credit facility at \$44 million, Coram could be required to report weekly financial data to the noteholders.

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*Hum Healthcare Corporation - Consolidated
and of Directors, Budget 2000
revised 1999 VS Budget 2000*

	Forecast 1999	Budget 2000	Budget - Better (Worse)	%
Net Revenue	\$ 599,900	\$ 453,200	\$ (146,700)	-24.5%
Cost of Sales	489,500	343,700	139,800	28.9%
Depreciation & Amortization	5,400	5,100	300	5.6%
Total Cost of Sales	489,900	348,800	140,100	28.7%
% to Net Revenue	81.5%	77.0%		
Gross Profit	111,000	104,400	(6,600)	-5.9%
% to Net Revenue	18.5%	23.0%		
Operating Expenses:				
Direct Operating Exp w/ Bad Debt	100,000	81,500	39,500	38.5%
Corporate Allocation	32,000	32,700	(700)	-2.2%
% to Net Revenue	5.3%	7.2%		
Restructure Charges	10,200	2,000	10,200	100.0%
Depreciation & Amortization	8,600	14,000	4,600	53.7%
Corporate Allocation D & A	13,200	19,800	(6,600)	-8.1%
Depreciation & Amortization	19,800	16,000	3,800	19.2%
Total Operating Expense	162,000	110,200	51,800	32.0%
% to Net Revenue	27.0%	24.3%		
Operating Income (Loss) before Interest	(51,000)	(5,800)	45,200	88.8%
% to Net Revenue	-8.5%	-1.3%		
Other - Loss from Discontinued Operations	(11,600)	(899)	11,100	95.7%
Other Income / (Expense)	(1,000)	44,200	45,200	4520.0%
Interest Expense	(30,200)	(23,700)	6,500	21.5%
Income (Loss) before Income Tax	(93,800)	14,200	108,000	115.1%
% to Net Revenue	-15.6%	3.1%		
Income Taxes	500	500	-	0.0%
Net Income (Loss)	\$ (94,300)	\$ 13,700	\$ 108,000	114.5%
% to Net Revenue	-15.7%	3.0%		
EBITDA without CPS Sale	\$ (28,200)	\$ 14,000	\$ 42,200	149.5%
% to Net Revenue	-4.7%	3.1%		
EBITDA with CPS Sale	\$ (28,200)	\$ 59,000	\$ 87,200	309.2%
% to Net Revenue	-4.7%	13.0%		

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Finalram HealthCare Corporation - Consolidated
Board of Directors, Budget 2000
Budget 1999 VS Budget 2000

	Forecast 1999				Budget 2000				Budget - Better (Worse)			
	Q1s	Q2s	Q3s	Q4s	Q1s	Q2s	Q3s	Q4s	\$	%	\$	%
at Revenue	\$ 161,000	\$ 152,800	\$ 142,300	\$ 142,900	\$ 135,500	\$ 102,800	\$ 105,600	\$ 109,500	\$ (146,700)	-24.5%	\$ 139,200	28.9%
Cost of Sales	121,500	115,400	109,000	107,600	104,100	78,000	79,800	81,700	343,700	24.6%	139,200	28.9%
Depreciation & Amortization	3,400	1,500	1,300	1,200	1,300	1,300	1,300	1,300	500	5.6%	1,300	28.7%
Total Cost of Sales	124,900	116,900	110,300	108,800	105,400	79,300	81,100	83,000	348,900	24.6%	140,500	28.7%
% to Net Revenue	76.3%	76.1%	77.0%	76.1%	77.1%	77.3%	76.9%	75.8%				
Gross Profit	38,100	36,400	33,300	34,100	30,200	23,300	24,400	26,500	(8,500)	-5.9%		
% to Net Revenue	23.7%	23.9%	23.0%	23.9%	22.3%	22.7%	23.1%	24.2%				
Operating Expenses:												
Direct Operating Exp w/ Bad Debt	21,200	23,300	22,000	23,500	17,700	14,600	14,500	14,700	38,500	38.5%	38,500	38.5%
Corporate Allocation	4,900	8,000	5,700	10,400	9,100	8,400	7,600	7,600	(700)	-2.2%		
% to Net Revenue	3.0%	5.3%	4.0%	7.3%	6.7%	8.2%	7.2%	6.9%				
Restructuring Charges	1,000	-	-	4,100	500	500	500	500	2,000	100.0%	10,200	100.0%
Depreciation & Amortization	800	1,000	1,000	3,800	3,500	3,500	3,500	3,500	4,600	63.7%	4,600	63.7%
Corporate Allocation D & A	3,400	3,300	3,300	3,200	4,000	4,000	4,000	4,000	3,800	10.2%	3,800	10.2%
Depreciation & Amortization	4,200	4,200	4,200	7,200	4,000	4,000	4,000	4,000	3,800	10.2%	3,800	10.2%
Total Operating Expenses	31,300	35,500	35,200	52,200	30,600	27,000	26,100	26,300	51,800	32.0%	51,800	32.0%
% to Net Revenue	19.4%	23.2%	24.7%	36.6%	22.6%	26.3%	24.7%	24.0%				
Operating Income (Loss) before Interest	6,500	(29,500)	(7,100)	(21,100)	(600)	(5,700)	(1,700)	200	45,200	88.6%	45,200	88.6%
% to Net Revenue	4.0%	-19.4%	-5.0%	-14.8%	-0.4%	-5.6%	-1.6%	0.2%				
Other - Loss from Discontinued Operations	(500)	(700)	-	(11,500)	(400)	(100)	(200)	(200)	11,100	95.7%	11,100	95.7%
Other Income / (Expense)	(6,500)	(7,500)	(6,100)	(6,000)	(6,900)	(8,600)	(6,700)	(6,600)	43,200	432.0%	43,200	432.0%
Interest Expense	(300)	(37,800)	(15,100)	(40,500)	(9,000)	35,400	(7,600)	(5,600)	108,000	115.1%	108,000	115.1%
Income (Loss) before Income Tax	(300)	(37,800)	(15,100)	(40,500)	(9,000)	35,400	(7,600)	(5,600)	108,000	115.1%	108,000	115.1%
% to Net Revenue	-0.2%	-24.8%	-10.6%	-28.4%	-6.6%	34.5%	-7.2%	-5.1%				
Income Taxes	100	200	100	100	100	200	100	100	-	0.0%	-	0.0%
Net Income (Loss)	(200)	(37,600)	(15,200)	(40,600)	(9,100)	35,200	(7,700)	(5,700)	108,000	114.3%	108,000	114.3%
% to Net Revenue	-0.1%	-24.6%	-10.6%	-28.5%	-6.7%	34.3%	-7.3%	-5.2%				
EBITDA without CPS Sale	\$12,900	\$24,600	\$3,600	\$20,100	\$14,000	\$1,200	\$3,400	\$5,300	\$42,200	149.6%	\$42,200	149.6%
% to Net Revenue	8.0%	16.1%	2.5%	14.1%	10.3%	1.3%	3.2%	4.8%				
EBITDA with CPS Sale	\$12,900	\$24,600	\$3,600	\$20,100	\$14,000	\$1,200	\$3,400	\$5,300	\$42,200	309.2%	\$42,200	309.2%
% to Net Revenue	8.0%	16.1%	2.5%	14.1%	10.3%	1.3%	3.2%	4.8%				

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FinalCORAM HEALTHCARE CORPORATION
BOARD OF DIRECTORS, BUDGET-2000
CONSOLIDATED STATEMENTS OF CASH FLOW

	FOR THE THREE MONTHS ENDED,				For the twelve months ended December 31, 2000 (Unaudited)
	March 31, 2000 (Unaudited)	June 30, 2000 (Unaudited)	September 30, 2000 (Unaudited)	December 31, 2000 (Unaudited)	
OPERATING CASH FLOW					
CASH RECEIPTS	\$ 141,333	\$ 107,019	\$ 101,819	\$ 104,950	\$ 455,121
CASH DISBURSEMENTS	(137,064)	(101,742)	(98,485)	(97,525)	(434,816)
NET OPERATING CASH FLOW	4,269	5,277	3,334	7,425	20,305
NON-RECURRING CASH FLOW					
CAPITAL EXPENDITURES	(2,052)	(1,143)	(448)	(326)	(3,969)
ASSET SALE, net of costs	-	65,000	-	-	65,000
INTEREST PAYMENTS PRINCIPAL PAYMENTS	(3,377)	(1,176)	(4,841)	(9,604)	(15,998)
TOTAL PAYMENTS TO DEBT HOLDERS	(3,377)	(61,176)	(4,841)	(6,604)	(75,998)
RESTRUCTURING PAYMENTS	(5,154)	(2,127)	(1,404)	(1,269)	(10,034)
OTHER DISBURSEMENTS INCLUDING LEGAL FEES	(1,614)	(2,841)	(201)	(1)	(4,657)
TAX PAYMENTS	(125)	(125)	(125)	(125)	(500)
OTHER DEBT PAYMENTS NET OF INTEREST INCOME	(136)	(54)	(40)	(87)	(317)
TOTAL CASH FLOW	\$ (8,189)	\$ 2,811	\$ (3,805)	\$ (987)	\$ (10,170)
BEGINNING CASH	11,059	2,870	5,681	1,876	11,059
ENDING CASH	\$ 2,870	\$ 5,681	\$ 1,876	\$ 889	\$ 889

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FinalCORAM HEALTHCARE CORPORATION
BOARD OF DIRECTORS, BUDGET 2000
COMPARATIVE CONDENSED BALANCE SHEETS

	March 31, 2000 (Unaudited)	June 30, 2000 (Unaudited)	September 30, 2000 (Unaudited)	December 31, 2000 (Unaudited)	November 30, 1999 (Unaudited)	December 31, 1999 (Unaudited)
CURRENT ASSETS						
CASH	\$ 2,870	\$ 5,681	\$ 1,877	\$ 899	\$ 12,715	\$ 11,059
ACCOUNTS RECEIVABLE	104,791	83,481	83,593	84,488	130,730	114,668
PREPAID EXPENSES	20,962	16,201	16,171	15,827	19,735	20,645
PROPERTY AND EQUIPMENT, net	23,761	19,376	16,949	13,947	24,492	23,938
GOODWILL, net	219,333	210,537	213,741	210,045	220,051	222,120
OTHER ASSETS	32,408	36,238	35,155	34,244	33,979	33,507
TOTAL ASSETS	\$ 404,125	\$ 377,594	\$ 357,486	\$ 360,320	\$ 447,703	\$ 426,026
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES	\$ 90,283	\$ 89,352	\$ 87,428	\$ 86,404	\$ 92,905	\$ 104,061
LONG-TERM DEBT	302,299	242,299	242,299	242,299	302,299	302,299
OTHER LONG-TERM LIABILITIES	18,313	18,576	18,846	19,141	17,959	18,177
TOTAL LIABILITIES	410,895	350,227	348,573	347,844	413,063	424,557
STOCKHOLDERS' EQUITY	(6,770)	27,367	18,913	12,386	34,640	1,469
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 404,125	\$ 377,594	\$ 367,486	\$ 360,320	\$ 447,703	\$ 426,026

COMMENTS:

Mark II Equity Infusion, Estimated:

Using the Budget 2000 Stockholders' Equity, capital infusions would be required as noted:

- 1) To meet the December 31, 2000 minimum equity of \$75,000, \$32,701 would be required.
- 2) To meet the annual average test using 1998 and estimated 1999 and estimated 2000 Stockholders' Equity at December 31st of each period, \$120,000 would be required.
- 3) To meet the quarterly average test, using the quarterly estimates for 2000, 1999 and 1998, \$280,000 would be required.

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in Healthcare Corporation - Infusion
of Directors, Budget 2000
1999 VS Budget 2000

	Forecast 1999				Budget 2000				Budget - Better (Worse)			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	\$	%	\$	%
Revenue												
Cost of Sales	78,200	80,400	80,300	78,400	82,100	78,000	79,900	81,700	(4,400)	-1.4%	(4,400)	-1.4%
Depreciation & Amortization	1,400	1,500	1,300	1,200	1,200	1,200	1,200	1,300	500	5.6%	500	5.6%
Cost of Sales	79,600	81,900	81,600	79,600	83,300	79,200	81,100	83,000	(4,100)	-1.3%	(4,100)	-1.3%
% to Net Revenue	75.3%	75.5%	74.6%	73.3%	76.1%	77.7%	77.5%	76.7%				
Net Profit	26,100	26,600	27,800	29,200	26,100	22,700	23,400	25,200	(12,300)	-11.2%	(12,300)	-11.2%
% to Net Revenue	24.7%	24.5%	25.4%	26.8%	23.9%	22.3%	22.4%	23.3%				
Operating Expenses:												
Direct Operating Exp w/ Bad Debt	14,700	15,300	13,900	24,800	14,500	14,100	14,000	14,200	11,700	17.1%	11,700	17.1%
Corporate Allocation	3,300	5,700	6,700	7,900	7,400	8,400	7,500	7,500	(7,200)	-22.5%	(7,200)	-22.5%
% to Net Revenue	3.1%	5.2%	6.1%	7.3%	6.8%	8.2%	7.2%	6.8%				
Restructuring Charges	1,000	600	700	4,100	500	500	500	500	5,100	100.0%	5,100	100.0%
Depreciation & Amortization	2,300	2,400	2,500	2,500	2,000	3,500	3,500	3,500	3,800	53.8%	3,800	53.8%
Corporate Allocation D & A	3,000	3,000	3,200	6,100	3,300	4,000	4,000	4,000	(3,800)	-104.0%	(3,800)	-104.0%
Depreciation & Amortization	21,900	24,000	23,800	42,700	25,200	28,500	25,500	25,700	(109)	-0.7%	(109)	-0.7%
% to Net Revenue	20.7%	22.1%	21.8%	39.3%	23.0%	26.0%	24.4%	23.8%	8,500	8.5%	8,500	8.5%
Operating Income (Loss) before Interest	4,700	2,500	4,000	(13,500)	900	(3,800)	(2,100)	(500)	(2,800)	-102.7%	(2,800)	-102.7%
% to Net Revenue	4.0%	2.4%	3.7%	-12.4%	0.8%	-3.7%	-2.0%	-0.3%				
Other - Loss from Discontinued Operations												
Other Income / (Expense)	(500)	(700)	100	(1,000)	(200)	(200)	(200)	(200)	300	0.0%	300	0.0%
Interest Expense	(800)	(3,500)	(2,100)	(19,500)	(4,500)	(9,600)	(7,800)	(6,200)	(2,800)	-10.0%	(2,800)	-10.0%
Income (Loss) before Income Tax												
% to Net Revenue	-0.8%	-3.2%	-1.9%	-17.9%	-4.4%	-9.4%	-7.6%	-5.7%				
Income Taxes	100	200	100	500	100	200	100	100		0.0%		0.0%
Net Income (Loss)												
% to Net Revenue												
EBITDA without CPS Sale	\$ (900)	\$ (3,700)	\$ (2,200)	\$ (19,500)	\$ (4,000)	\$ (9,800)	\$ (8,000)	\$ (6,300)	\$ (2,500)	-9.8%	\$ (2,500)	-9.8%
% to Net Revenue	-0.9%	-3.4%	-2.0%	-18.0%	-4.5%	-9.5%	-7.6%	-5.8%				
EBITDA with CPS Sale	39,000	38,400	39,600	32,000	35,200	\$1,300	\$3,000	\$4,800	(37,000)	-35.0%	(37,000)	-35.0%
% to Net Revenue	6.3%	5.0%	7.9%	-1.8%	4.8%	1.3%	2.5%	4.3%				
EBITDA with CPS Sale	59,000	59,400	59,800	49,500	55,200	\$1,300	\$3,000	\$4,800	(37,500)	-35.9%	(37,500)	-35.9%
% to Net Revenue	8.5%	5.3%	7.9%	-1.8%	4.8%	1.3%	2.5%	4.3%				

Note: 1999 Net Revenue is net of inter-company elimination, \$23.1 million. Budget 2000 does not have any inter-company revenue.

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Coram Healthcare Corporation
Board of Directors, Budget 2000
Infusion Net Revenue Growth - '99 Vs '00
\$ In 000's

**Ytd October Revenue, with
inter-company transactions**

\$ 380,000

\$ 456,000

Annualized Oct. YTD

**Partnership Deconsolidation
subtraction**

(4,000)

452,000

Adjusted for Deconsolidation

(53,000)

Annualized Losses Rnet and Prolastin

**1999 with adjustment with full
year impact of losses**

389,000

6,000

Add back for Aetna & Prudential Q1 00

\$ 395,000

Restated 1999 Revenue

\$ 424,200

Target Budget 2000

\$ 29,200

Growth vs. Restated 1999 \$

7.4%

Growth vs. Restated 1999 %

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Financialram Healthcare Corporation - CFI
Third of Directors, Budget 2000
Forecast 1999 VS Budget 2000

	Forecast 1999				Budget 2000				Budget - Better (Worse)			
	Q1a	Q2a	Q3a	Q4a	Q1	Q2	Q3	Q4	\$	%	\$	%
Net Revenue	100	100	100	100	400	600	1,000	1,300	1,400	73.7%	800	100.0%
Cost of Sales	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	-	-	-	-	-	-	-	-	-	-	-	-
Total Cost of Sales	-	-	-	-	-	-	-	-	-	-	-	-
% to Net Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Gross Profit	100	100	100	100	400	600	1,000	1,300	1,400	73.7%	800	100.0%
% to Net Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Operating Expenses:												
Direct Operating Exp w/ Net Debt	100	200	300	200	400	500	500	500	(1,100)	-137.5%	1,000	100.0%
Corporate Allocation	-	-	-	-	-	-	-	-	(100)	-100.0%	100	100.0%
% to Net Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	-7.1%	-0.5%	100	100.0%
Restructuring Charges	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Allocation D & A	-	-	-	-	-	-	-	-	-	-	-	-
Depreciation & Amortization	100	200	300	200	400	500	500	500	(1,100)	-137.5%	1,000	100.0%
Total Operating Expense	100.0%	200.0%	300.0%	200.0%	400.0%	500.0%	500.0%	500.0%	(1,100.0%)	-137.5%	1,000.0%	100.0%
% to Net Revenue	100.0%	200.0%	300.0%	200.0%	100.0%	83.3%	50.0%	38.5%	-78.6%	-56.1%	100.0%	100.0%
Operating Income (Loss) before Interest	-	(100)	100	200	-	100	500	800	1,000	500.0%	1,000	100.0%
% to Net Revenue	0.0%	-100.0%	10.0%	20.0%	0.0%	16.7%	50.0%	61.5%	71.4%	50.9%	100.0%	100.0%
Other - Loss from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-
Other Income / (Expense)	-	-	-	-	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-
Income (Loss) before Income Tax	-	(100)	100	200	-	100	500	800	1,000	500.0%	1,000	100.0%
% to Net Revenue	0.0%	-100.0%	10.0%	20.0%	0.0%	16.7%	50.0%	61.5%	71.4%	50.9%	100.0%	100.0%
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Net Income (Loss)	-	(100)	100	200	-	100	500	800	1,000	500.0%	1,000	100.0%
% to Net Revenue	0.0%	-100.0%	10.0%	20.0%	0.0%	16.7%	50.0%	61.5%	71.4%	50.9%	100.0%	100.0%
EBITDA without CPS Sale	50	(5100)	5100	5200	50	5100	5200	5300	51000	500.0%	51000	100.0%
% to Net Revenue	0.0%	-100.0%	11.1%	25.0%	0.0%	12.5%	26.0%	26.2%	36.4%	26.4%	36.4%	100.0%
EBITDA with CPS Sale	50	(5100)	5100	5200	50	5100	5200	5300	51000	500.0%	51000	100.0%
% to Net Revenue	0.0%	-100.0%	11.1%	25.0%	0.0%	12.5%	26.0%	26.2%	36.4%	26.4%	36.4%	100.0%

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from Healthcare Corporation - CPS
Board of Directors, Budget 2000
Recast 1999 VS Budget 2000

	Forecast 1999				1999a			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Revenue	\$ 18,600	\$ 21,000	\$ 22,600	\$ 24,300	\$ 18,600	\$ 21,000	\$ 22,600	\$ 24,300
Cost of Sales	18,500	17,900	19,300	21,300	18,500	17,900	19,300	21,300
Depreciation & Amortization	16,500	17,600	19,300	21,300	16,500	17,600	19,300	21,300
Total Cost of Sales	35,000	35,500	38,600	42,600	35,000	35,500	38,600	42,600
% to Net Revenue	188.2%	169.0%	170.8%	175.3%	188.2%	169.0%	170.8%	175.3%
Gross Profit	2,100	3,100	3,300	3,000	2,100	3,100	3,300	3,000
% to Net Revenue	11.3%	14.8%	14.6%	12.3%	11.3%	14.8%	14.6%	12.3%
Operating Expenses:								
Direct Operating Exp w/ Bad Debt	1,500	2,600	2,900	4,500	1,500	2,600	2,900	4,500
Corporate Allocation	600	1,100	1,400	1,900	600	1,100	1,400	1,900
% to Net Revenue	3.2%	5.2%	6.2%	7.4%	3.2%	5.2%	6.2%	7.4%
Restructure Charges	100	100	100	100	100	100	100	100
Depreciation & Amortization	400	400	500	500	400	400	500	500
Corporate Allocation D & A	500	500	600	700	500	500	600	700
Depreciation & Amortization	2,600	4,200	4,900	7,000	2,600	4,200	4,900	7,000
Total Operating Expenses	14,000	20,000	21,200	28,800	14,000	20,000	21,200	28,800
% to Net Revenue	75.3%	95.2%	93.8%	118.5%	75.3%	95.2%	93.8%	118.5%
Operating Income (Loss) before Interest	(500)	(900)	(1,500)	(4,800)	(500)	(900)	(1,500)	(4,800)
% to Net Revenue	-2.7%	-4.3%	-6.6%	-19.7%	-2.7%	-4.3%	-6.6%	-19.7%
Other - Loss from Discontinued Operations	-	-	-	-	-	-	-	-
Other Income / (Expense)	700	(1,000)	(1,300)	(1,400)	700	(1,000)	(1,300)	(1,400)
Interest Expense	(1,200)	(1,800)	(2,800)	(5,400)	(1,200)	(1,800)	(2,800)	(5,400)
% to Net Revenue	-6.5%	-8.6%	-12.4%	-22.2%	-6.5%	-8.6%	-12.4%	-22.2%
Income (Loss) before Income Tax	(500)	(2,700)	(5,600)	(11,600)	(500)	(2,700)	(5,600)	(11,600)
% to Net Revenue	-2.7%	-12.9%	-24.8%	-47.7%	-2.7%	-12.9%	-24.8%	-47.7%
Income Taxes	-	-	-	-	-	-	-	-
Net Income (Loss)	(500)	(2,700)	(5,600)	(11,600)	(500)	(2,700)	(5,600)	(11,600)
% to Net Revenue	-2.7%	-12.9%	-24.8%	-47.7%	-2.7%	-12.9%	-24.8%	-47.7%
EBITDA without CPS Sale	50	(500)	(500)	(5,300)	50	(500)	(500)	(5,300)
% to Net Revenue	0.3%	-2.4%	-2.2%	-21.8%	0.3%	-2.4%	-2.2%	-21.8%
EBITDA with CPS Sale	50	(500)	(500)	(5,300)	50	(500)	(500)	(5,300)
% to Net Revenue	0.3%	-2.4%	-2.2%	-21.8%	0.3%	-2.4%	-2.2%	-21.8%

Note: 1999 Net Revenue is net of Inter-company elimination, \$2.1 million. Budget

2000 does not have any Inter-company revenue.

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PostHealthcare Corporation - RNET
of Directors, Budget 2000
vs 1999 VS Budget 2000

	Forecast 1999				Budget 2000				Budget - Better (Worse)	
	Q1a	Q2a	Q3a	Q4a	Q1	Q2	Q3	Q4	\$	%
Revenue	\$ 36,600	\$ 32,300	\$ 10,300	\$ 0,000	\$ 70,100				\$ (70,100)	-100.0%
Total Sales	26,800	47,400	8,000	7,600	90,700				90,700	100.0%
Provision & Amortization	25,000	47,400	8,000	7,600	90,700				90,700	100.0%
Cost of Sales	73.2%	204.3%	86.4%	84.4%	114.7%					
% Net Revenue	9,800	(24,200)	1,400	1,400	(11,600)				11,600	100.0%
% Profit	26.8%	-104.3%	13.6%	15.6%	-14.7%					
% Net Revenue	4,800	5,300	5,000	4,200	19,300				19,300	100.0%
Operating Expenses:	1,000	1,200	600	3,400	3,400				3,400	100.0%
Portals Allocation	2.7%	5.2%	5.8%	6.7%	4.3%				5,100	100.0%
Structure Changes			5,100	200	700				700	100.0%
Provision & Amortization	100	200	200	200	1,600				1,600	100.0%
Provision Allocation D & A	700	500	200	400	2,300				2,300	100.0%
Provision & Amortization	800	700	400	400	2,300				2,300	100.0%
% Operating Expense	6,700	7,100	11,100	5,200	30,100				30,100	100.0%
% Net Revenue	18.3%	30.6%	107.8%	57.6%	38.1%					
Operating Income (Loss) before Interest	3,100	(3,300)	(9,700)	(3,900)	(41,700)				41,700	100.0%
% Net Revenue	8.5%	-13.4%	-94.2%	-52.4%	-52.7%				11,100	92.7%
Interest Expense					(500)				(500)	100.0%
Interest Income / (Expense)					(500)				(500)	100.0%
Income (Less) before Income Tax	1,700	(3,400)	(10,300)	(15,900)	(56,000)				56,000	86.1%
% Net Revenue	4.6%	-13.7%	-100.0%	-176.7%	-71.0%					
Income Taxes					(500)				(500)	100.0%
Income (Less)	1,700	(3,400)	(10,300)	(15,900)	(56,500)				56,500	95.1%
% Net Revenue	4.6%	-13.7%	-100.0%	-176.7%	-71.1%				56,500	95.1%
ITDA without CPS Sale	3,900	(50,600)	(44,200)	(315,000)	(345,900)				345,900	86.9%
% Net Revenue	10.7%	-151.9%	-40.9%	-186.7%	-58.0%				345,900	86.9%
ITDA with CPS Sale	53,900	(330,600)	(44,200)	(315,000)	(345,900)				345,900	86.9%
% Net Revenue	10.7%	-151.9%	-40.9%	-186.7%	-58.0%				345,900	86.9%

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**Coram Healthcare Corporation
Board of Directors, Budget 2000
With Inter-Company Eliminations**

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Coram Healthcare Corporation
"Key Initiatives Drivers"
Board of Directors, Budget 2000

- New Revenue Growth - \$29mm 7.4%
 - ❖ Generalist versus Specialist Sales force in 2000
 - ❖ New Strategic Business Unit leadership driving new sales and marketing programs - Manage Care carve-outs.
 - ❖ New Hemophilia sales and marketing program expected to grow \$8.0mm (50%) in 2000.
 - ❖ New national contract with United Healthcare (Q1) to replace projected Aetna lost business in (Q2) - 90% confidence level.
- Cost of Goods/Mix Improvement
 - ❖ Commissionable therapy growth of new revenue at 70-80% standard margins versus current mix standard margins of 59%.
 - ❖ 2000 Sales Compensation only paying on commissionable therapies and EBITDA improvement.
 - ❖ Target low margin accounts for price increase
 - ❖ 2000 COS - from drug wholesaler, estimated annual savings \$250,000.
- Nursing Cost Savings
 - ❖ 1% Improvement versus 1999
 - ❖ Primary Care Management Model (PCMM) rolled out to reduce current cost per visit by 10%.
 - ❖ Standardize use of Home Healthcare Laboratory of America (HHLA) program in 2000
 - ❖ Moving nurse staffing to more variable versus fixed cost via Per Diems.
 - ❖ Producing Monthly Management Reports to monitor Nurse Manager's performance under PCMM and HHLA.
- Cash Collection Performance
 - ❖ Reorganize reporting structure by moving Area Reimbursement Managers under AVP Operations to connect the front and back end process.
 - ❖ All 2000 Bonus and Sales commission plans will be tied to cash collection results to gain total support from each team member to drive results.
 - ❖ Dedicated individual to work with each Medicare DMERC location.
 - ❖ Have begun legal communication with delinquent Payor Accounts.
- Sale of CPS Q2 - \$70 million generating \$60 million paydown of debt and \$45 million gain
- Company Wide Expense Management Control
 - ❖ Headcount management controls established - budget, performance, staffing model and Sr. Management approval.
 - ❖ Individual Budget Monthly Accountability: Weekly reporting of new cost savings initiatives
 - ❖ Elimination of discretionary spending; Micro Management by senior management

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**CORAM HEALTHCARE CORPORATION
BOARD OF DIRECTORS, BUDGET 2000
FORECASTED BALANCE SHEET AND
CASHFLOW ASSUMPTIONS**

	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>
1) DSO	80	78	76	74
2) AP Aging	50	39	37	40

3) Summary of CPS Sale, April 1, 2000

Estimated cash proceeds	\$ 70,000,000
Estimated costs associated with sale	(5,000,000)
Net proceeds on sale	<u>\$ 65,000,000</u>
Net Book Value estimated	(14,200,000)
Reserves from sale	(5,800,000)
Estimated gain on sale of asset	<u><u>\$ 45,000,000</u></u>

Net proceeds on sale	\$ 65,000,000
Paydown portion of principle on Series B debt	(60,000,000)
Cash available for operations	<u><u>\$ 5,000,000</u></u>

4) All interest payments due on Bank debt in 2000 are paid in cash (no PIKs).
\$60 million reduction in Series B debt principle from the sale of CPS.
Senior Credit Facility line remains at \$44m with a 1/2 % pt. increase in 7/00.

5) Credit facility borrowing base, using November 1999 A/R balances, without R-Net and CPS is \$52 million. With the credit facility at \$44 million, Coram could be required to report weekly financial data to the noteholders.

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Coram Healthcare Corporation - Consolidated
Board of Directors, Budget 2000
Forecast 1999 VS Budget 2000

	Forecast 1999	Budget 2000	Budget - Better (Worse)	
	\$	\$	\$	%
Net Revenue	\$ 599,900	\$ 453,200	\$ (146,700)	-24.5%
Cost of Sales	483,500	343,700	139,800	28.9%
Depreciation & Amortization	5,400	5,100	300	5.6%
Total Cost of Sales	488,900	348,800	140,100	28.7%
% to Net Revenue	81.5%	77.0%		
Gross Profit	111,000	104,400	(6,600)	-5.9%
% to Net Revenue	18.5%	23.0%		
Operating Expenses:				
Direct Operating Exp w/ Bad Debt	100,000	61,500	38,500	38.5%
Corporate Allocation	32,000	32,700	(700)	-2.2%
% to Net Revenue	5.3%	7.2%		
Restructure Charges	10,200	-	10,200	100.0%
Depreciation & Amortization	6,800	2,000	4,800	69.7%
Corporate Allocation D & A	13,200	14,000	(800)	-6.1%
Depreciation & Amortization	19,800	16,000	3,800	19.2%
Total Operating Expense	162,000	110,200	51,800	32.0%
% to Net Revenue	27.0%	24.3%		
Operating Income (Loss) before Interest	(51,000)	(5,800)	45,200	88.6%
% to Net Revenue	-8.5%	-1.3%		
Other - Loss from Discontinued Operations	(11,500)	(500)	11,000	95.7%
Other Income / (Expense)	(1,000)	44,200	45,200	4520.0%
Interest Expense	(30,200)	(23,700)	6,500	21.5%
Income (Loss) before Income Tax	(93,800)	14,200	108,000	115.1%
% to Net Revenue	-15.6%	3.1%		
Income Taxes	500	500	-	0.0%
Net Income (Loss)	\$ (94,300)	\$ 13,700	\$ 108,000	114.5%
% to Net Revenue	-15.7%	3.0%		
EBITDA without CPS Sale	\$ (28,200)	\$ 14,000	\$ 42,200	149.8%
% to Net Revenue	-4.7%	3.1%		
EBITDA with CPS Sale	\$ (28,200)	\$ 59,000	\$ 87,200	309.2%
% to Net Revenue	-4.7%	13.0%		

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FinalCoram Healthcare Corporation - Consolidated
Board of Directors, Budget 2000
Forecast 1999 VS. Budget 2000

	Forecast 1999			Q4e			1999a		
	Q1e	Q2e	Q3e	Q4e	Q1e	Q2e	Q3e	Q4e	Q1e
Net Revenue	\$ 161,000	\$ 162,800	\$ 143,200	\$ 147,500	\$ 147,500	\$ 147,500	\$ 147,500	\$ 147,500	\$ 147,500
Cost of Sales	121,500	145,400	109,000	107,500	107,500	107,500	107,500	107,500	107,500
Depreciation & Amortization	1,400	1,500	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Total Cost of Sales	122,900	146,900	110,300	108,800	108,800	108,800	108,800	108,800	108,800
% to Net Revenue	76.3%	90.1%	77.0%	74.5%	74.5%	74.5%	74.5%	74.5%	74.5%
Gross Profit	39,100	18,400	34,200	39,500	39,500	39,500	39,500	39,500	39,500
% to Net Revenue	23.7%	11.3%	23.8%	26.8%	26.8%	26.8%	26.8%	26.8%	26.8%
Operating Expenses:									
Direct Operating Exp w/ Bad Debt	21,200	23,300	22,000	22,000	22,000	22,000	22,000	22,000	22,000
Corporate Allocation	4,800	8,000	6,700	6,700	6,700	6,700	6,700	6,700	6,700
% to Net Revenue	3.0%	5.2%	4.7%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Restructuring Charges	1,000	800	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Depreciation & Amortization	3,400	3,300	3,200	3,200	3,200	3,200	3,200	3,200	3,200
Corporate Allocation O & A	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
Depreciation & Amortization	31,200	35,500	30,000	29,000	29,000	29,000	29,000	29,000	29,000
Total Operating Expense	61,000	67,100	66,100	65,400	65,400	65,400	65,400	65,400	65,400
% to Net Revenue	37.9%	41.3%	46.2%	44.3%	44.3%	44.3%	44.3%	44.3%	44.3%
Operating Income (Loss) before Interest	18,100	1,100	17,000	17,000	17,000	17,000	17,000	17,000	17,000
% to Net Revenue	11.1%	0.7%	11.9%	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Other - Loss from Discontinued Operations	(500)	(700)	(100)	(100)	(100)	(100)	(100)	(100)	(100)
Interest Expense	(6,500)	(7,500)	(8,100)	(8,100)	(8,100)	(8,100)	(8,100)	(8,100)	(8,100)
Income (Loss) before Income Tax	(4,900)	(7,100)	(6,800)	(6,800)	(6,800)	(6,800)	(6,800)	(6,800)	(6,800)
% to Net Revenue	-3.0%	-4.3%	-4.7%	-4.6%	-4.6%	-4.6%	-4.6%	-4.6%	-4.6%
Income Taxes	100	200	100	100	100	100	100	100	100
Net Income (Loss)	(4,800)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)	(6,900)
% to Net Revenue	-3.0%	-4.2%	-4.8%	-4.7%	-4.7%	-4.7%	-4.7%	-4.7%	-4.7%
EBITDA without CPS Sale	\$12,900	(\$24,600)	\$3,600	(\$20,100)	(\$20,100)	(\$20,100)	(\$20,100)	(\$20,100)	(\$20,100)
% to Net Revenue	8.0%	-15.1%	2.5%	-13.6%	-13.6%	-13.6%	-13.6%	-13.6%	-13.6%
EBITDA with CPS Sale	\$12,900	(\$24,600)	\$3,600	(\$20,100)	(\$20,100)	(\$20,100)	(\$20,100)	(\$20,100)	(\$20,100)
% to Net Revenue	8.0%	-15.1%	2.5%	-13.6%	-13.6%	-13.6%	-13.6%	-13.6%	-13.6%

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	Budget 2000			Q4e			Q4e		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net Revenue	\$ 135,500	\$ 101,500	\$ 105,500	\$ 109,500	\$ 109,500	\$ 109,500	\$ 109,500	\$ 109,500	\$ 109,500
Cost of Sales	104,100	76,000	79,500	81,700	81,700	81,700	81,700	81,700	81,700
Depreciation & Amortization	1,200	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Total Cost of Sales	105,300	77,300	80,800	83,000	83,000	83,000	83,000	83,000	83,000
% to Net Revenue	77.7%	76.2%	76.9%	75.8%	75.8%	75.8%	75.8%	75.8%	75.8%
Gross Profit	30,200	24,200	24,700	26,500	26,500	26,500	26,500	26,500	26,500
% to Net Revenue	22.3%	23.7%	23.1%	24.2%	24.2%	24.2%	24.2%	24.2%	24.2%
Operating Expenses:									
Direct Operating Exp w/ Bad Debt	17,700	14,500	14,500	14,750	14,750	14,750	14,750	14,750	14,750
Corporate Allocation	9,100	8,400	7,600	7,600	7,600	7,600	7,600	7,600	7,600
% to Net Revenue	6.7%	8.2%	7.2%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%
Restructuring Charges	500	500	500	500	500	500	500	500	500
Depreciation & Amortization	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500
Corporate Allocation O & A	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Depreciation & Amortization	30,800	27,000	26,100	26,300	26,300	26,300	26,300	26,300	26,300
Total Operating Expense	55,500	49,900	46,200	46,650	46,650	46,650	46,650	46,650	46,650
% to Net Revenue	40.9%	49.2%	43.8%	42.6%	42.6%	42.6%	42.6%	42.6%	42.6%
Operating Income (Loss) before Interest	(25,300)	(25,700)	(21,500)	(20,150)	(20,150)	(20,150)	(20,150)	(20,150)	(20,150)
% to Net Revenue	-18.7%	-25.3%	-20.4%	-18.4%	-18.4%	-18.4%	-18.4%	-18.4%	-18.4%
Other - Loss from Discontinued Operations	(400)	(100)	(200)	(200)	(200)	(200)	(200)	(200)	(200)
Interest Expense	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)	(6,500)
Income (Loss) before Income Tax	(32,200)	(32,200)	(28,200)	(26,850)	(26,850)	(26,850)	(26,850)	(26,850)	(26,850)
% to Net Revenue	-23.8%	-31.7%	-26.7%	-24.5%	-24.5%	-24.5%	-24.5%	-24.5%	-24.5%
Income Taxes	100	100	100	100	100	100	100	100	100
Net Income (Loss)	(32,100)	(32,100)	(28,100)	(26,750)	(26,750)	(26,750)	(26,750)	(26,750)	(26,750)
% to Net Revenue	-23.7%	-31.6%	-26.6%	-24.4%	-24.4%	-24.4%	-24.4%	-24.4%	-24.4%
EBITDA without CPS Sale	\$12,900	(\$24,600)	\$3,600	(\$20,100)	(\$20,100)	(\$20,100)	(\$20,100)	(\$20,100)	(\$20,100)
% to Net Revenue	8.0%	-15.1%	2.5%	-13.6%	-13.6%	-13.6%	-13.6%	-13.6%	-13.6%
EBITDA with CPS Sale	\$12,900	(\$24,600)	\$3,600	(\$20,100)	(\$20,100)	(\$20,100)	(\$20,100)	(\$20,100)	(\$20,100)
% to Net Revenue	8.0%	-15.1%	2.5%	-13.6%	-13.6%	-13.6%	-13.6%	-13.6%	-13.6%

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Proprietary and Confidential
FinalCORAM HEALTHCARE CORPORATION
BOARD OF DIRECTORS, BUDGET-2000
CONSOLIDATED STATEMENTS OF CASH FLOW

	FOR THE THREE MONTHS ENDED,				For the twelve months ended December 31, 2000 (Unaudited)
	March 31, 2000 (Unaudited)	June 30, 2000 (Unaudited)	September 30, 2000 (Unaudited)	December 31, 2000 (Unaudited)	
OPERATING CASH FLOW					
CASH RECEIPTS	\$ 141,333	\$ 107,019	\$ 101,819	\$ 104,950	\$ 455,121
CASH DISBURSEMENTS	(137,064)	(101,742)	(98,485)	(97,525)	(434,816)
NET OPERATING CASH FLOW	4,269	5,277	3,334	7,425	20,305
NON-RECURRING CASH FLOW					
CAPITAL EXPENDITURES	(2,052)	(1,143)	(448)	(326)	(3,869)
ASSET SALE, net of costs	-	65,000	-	-	65,000
INTEREST PAYMENTS	(3,377)	(1,176)	(4,841)	(6,604)	(15,998)
PRINCIPAL PAYMENTS	-	(60,000)	-	-	(60,000)
TOTAL PAYMENTS TO DEBT HOLDERS	(3,377)	(61,176)	(4,841)	(6,604)	(75,998)
RESTRUCTURING PAYMENTS	(5,154)	(2,127)	(1,484)	(1,269)	(10,034)
OTHER DISBURSEMENTS INCLUDING LEGAL FEES	(1,614)	(2,841)	(201)	(1)	(4,657)
TAX PAYMENTS	(125)	(125)	(125)	(125)	(500)
OTHER DEBT PAYMENTS NET OF INTEREST INCOME	(136)	(54)	(40)	(87)	(317)
TOTAL CASH FLOW	\$ (8,193)	\$ 2,811	\$ (3,805)	\$ (987)	\$ (10,170)
BEGINNING CASH	11,059	2,870	5,681	1,876	11,059
ENDING CASH	\$ 2,870	\$ 5,681	\$ 1,876	\$ 889	\$ 889

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FinalCORAM HEALTHCARE CORPORATION
BOARD OF DIRECTORS, BUDGET 2000
COMPARATIVE CONDENSED BALANCE SHEETS

	March 31, 2000 (Unaudited)	June 30, 2000 (Unaudited)	September 30, 2000 (Unaudited)	December 31, 2000 (Unaudited)	November 30, 1999 (Unaudited)	December 31, 1999 (Unaudited)
ASSETS						
CASH	\$ 2,870	\$ 5,681	\$ 1,877	\$ 889	\$ 12,715	\$ 11,059
ACCOUNTS RECEIVABLE	104,791	83,481	83,593	84,468	130,730	114,568
INVENTORIES	20,962	16,281	16,171	15,827	19,735	20,845
PROPERTY AND EQUIPMENT, net	23,761	19,376	15,949	13,947	24,482	23,938
GOODWILL, net	219,333	216,537	213,741	210,845	226,061	222,129
OTHER	32,408	35,238	35,155	34,244	33,979	33,597
TOTAL ASSETS	\$ 404,125	\$ 377,594	\$ 367,486	\$ 360,320	\$ 447,703	\$ 426,026
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES	\$ 90,293	\$ 89,352	\$ 87,428	\$ 86,494	\$ 92,805	\$ 104,091
BANK DEBT	302,299	242,299	242,299	242,289	302,299	302,299
OTHER LONG-TERM LIABILITIES	18,313	18,576	18,846	19,141	17,959	18,177
TOTAL LIABILITIES	410,895	350,227	348,573	347,934	413,063	424,567
STOCKHOLDERS' EQUITY	(6,770)	27,367	18,913	12,386	34,640	1,469
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 404,125	\$ 377,594	\$ 367,486	\$ 360,320	\$ 447,703	\$ 426,026

COMMENTS:

Stark II Equity Infusion, Estimated:

Using the Budget 2000 Stockholders' Equity, capital infusions would be required as noted:

- 1) To meet the December 31, 2000 minimum equity of \$75,001, \$62,701 would be required,
- 2) To meet the annual average test using 1998 and estimated 1999 and estimated 2000 Stockholders' Equity at December 31st of each period, \$120,000 would be required,
- 3) To meet the quarterly average test, using the quarterly estimates for 2000, 1999 and 1998, \$280,000 would be required.

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Final

Coram Healthcare Corporation - Inflation
Board of Directors, Budget 2000
Forecast 1999 VS Budget 2000

	Forecast 1999				Budget 2000				Budget - Better (Worse)	
	Q1s	Q2s	Q3s	Q4s	Q1	Q2	Q3	Q4	\$	%
Net Revenue	\$ 108,700	\$ 108,500	\$ 109,400	\$ 108,800	\$ 109,200	\$ 102,000	\$ 104,800	\$ 109,200	\$ (6,200)	+1.9%
Cost of Sales	78,200	80,400	80,300	79,400	82,100	79,000	79,900	81,700	(4,400)	-1.4%
Depreciation & Amortization	1,400	1,500	1,300	1,200	1,200	1,300	1,300	1,300	300	5.6%
Total Cost of Sales	79,600	81,900	81,600	79,600	83,300	80,300	81,200	83,000	(4,100)	-1.3%
% to Net Revenue	73.3%	75.5%	74.6%	73.2%	76.1%	77.7%	77.6%	76.7%		
Gross Profit	26,100	28,600	27,800	29,200	26,100	22,700	22,400	26,200	(12,300)	-11.2%
% to Net Revenue	24.7%	24.5%	25.4%	26.8%	23.8%	22.3%	22.4%	23.3%		
Operating Expenses:										
Direct Operating Exp w/ Bad Debt	14,700	15,300	13,900	24,600	14,500	14,100	14,000	14,200	11,700	17.1%
Corporate Allocation	3,300	5,700	6,700	7,900	7,400	8,400	7,500	7,500	(7,200)	-30.5%
% to Net Revenue	3.1%	5.3%	6.1%	7.3%	6.8%	8.2%	7.2%	6.9%	5,100	100.0%
Restructuring Charges	1,000	-	-	4,100	500	500	-	500	3,500	63.6%
Depreciation & Amortization	2,300	2,400	2,500	2,500	2,800	3,500	3,500	3,500	(3,600)	-102.9%
Corporate Allocation D & A	2,800	3,000	3,200	6,100	3,500	4,000	4,000	4,000	8,500	8.5%
Depreciation & Amortization	21,900	24,000	20,800	42,200	25,200	26,500	25,500	25,700	(100)	-0.7%
Total Operating Expense	20,7%	22.1%	21.8%	39.2%	23.0%	26.0%	24.4%	23.8%		
% to Net Revenue										
Operating Income (Loss) before Interest	4,200	2,600	4,000	(13,500)	800	(3,800)	(2,100)	(500)	(2,800)	-103.7%
% to Net Revenue	4.0%	2.4%	3.7%	-12.4%	0.8%	-3.7%	-2.0%	-0.5%		
Other - Loss from Discontinued Operations	(500)	(700)	100	100	(200)	(200)	(200)	(200)	200	0.0%
Other Income / (Expense)	(4,500)	(5,400)	(6,200)	(6,100)	(5,500)	(5,500)	(5,500)	(5,500)	(2,500)	-10.0%
Interest Expense	(800)	(1,500)	(2,100)	(19,500)	(4,800)	(9,800)	(7,800)	(9,200)	(2,500)	-10.0%
Income (Loss) before Income Tax	(800)	(3,200)	(4,300)	(20,900)	(4,500)	(9,800)	(7,500)	(9,700)	(2,500)	-10.0%
% to Net Revenue	-0.8%	-3.2%	-4.0%	-17.9%	-4.1%	-9.4%	-7.5%	-8.7%		
Income Taxes	100	200	100	100	100	200	100	100	-	0.0%
Net Income (Loss)	(900)	(3,700)	(2,200)	(21,000)	(4,600)	(9,600)	(7,600)	(9,800)	(2,500)	-9.8%
% to Net Revenue	-0.8%	-3.4%	-2.0%	-19.0%	-4.2%	-9.4%	-7.6%	-8.9%		
EBITDA without CPS Sale	\$9,000	\$6,400	\$8,600	(22,000)	\$5,200	\$1,300	\$3,000	\$4,600	(37,500)	-35.8%
% to Net Revenue	8.5%	5.9%	7.9%	-1.8%	4.8%	1.3%	2.8%	4.3%		
EBITDA with CPS Sale	\$9,000	\$6,400	\$8,600	(32,000)	\$5,200	\$1,300	\$3,000	\$4,600	(37,500)	-35.8%
% to Net Revenue	8.5%	5.9%	7.9%	-1.8%	4.8%	1.3%	2.8%	4.3%		

Note: 1999 Net Revenue is net of inter-company elimination, \$23.1 million. Budget 2000 does not have any inter-company revenue.

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Coram Healthcare Corporation
Board of Directors, Budget 2000
Infusion Net Revenue Growth - '99 Vs '00
 \$ in 000's

**Ytd October Revenue, with
inter-company transactions**

\$ 380,000

Annualized Oct. YTD

\$ 456,000

**Partnership Deconsolidation
subtraction**

(4,000)

Adjusted for Deconsolidation

452,000

Annualized Losses Rnet and Prolastin

(63,000)

**1999 with adjustment with full
year impact of losses**

389,000

Add back for Aetna & Prudential Q1 00

6,000

Restated 1999 Revenue

\$ 395,000

Target Budget 2000

\$ 424,200

Growth vs. Restated 1999 \$

\$ 29,200

Growth vs. Restated 1999 %

7.4%

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Proprietary and Confidential
FeesCoram Healthcare Corporation - CIT
Board of Directors, Budget 2000
Forecast 1999 Vs Budget 2000

	Forecast 1999				1999e			
	Q1e	Q2e	Q3e	Q4e	Q1e	Q2e	Q3e	Q4e
Net Revenue	\$ 100	\$ 100	\$ 100	\$ 100	\$ 800	\$ 800	\$ 1,500	\$ 1,500
Cost of Sales	-	-	-	-	300	300	800	800
Depreciation & Amortization	-	-	-	-	300	300	800	800
Total Cost of Sales	-	-	-	-	600	600	1,600	1,600
% to Net Revenue	0.0%	0.0%	0.0%	0.0%	75.0%	75.0%	106.7%	106.7%
Gross Profit	100	100	100	100	200	200	900	700
% to Net Revenue	100.0%	100.0%	100.0%	100.0%	25.0%	25.0%	60.0%	46.7%
Operating Expenses:								
Direct Operating Exp w/ Bad Debt	100	200	300	200	200	200	800	800
Corporate Allocation	-	-	-	-	100	100	100	100
% to Net Revenue	0.0%	0.0%	0.0%	0.0%	12.5%	12.5%	6.7%	6.7%
Restructure Charges	-	-	-	-	-	-	-	-
Depreciation & Amortization	-	-	-	-	-	-	-	-
Corporate Allocation D & A	-	-	-	-	-	-	-	-
Depreciation & Amortization	-	-	-	-	-	-	-	-
Total Operating Expense	100	200	300	200	300	300	900	900
% to Net Revenue	100.0%	200.0%	300.0%	200.0%	37.5%	37.5%	60.0%	60.0%
Operating Income (Loss) before Interest	-	(100)	100	200	200	200	200	200
% to Net Revenue	0.0%	-100.0%	11.1%	25.0%	25.0%	25.0%	13.3%	13.3%
Other - Less from Discontinued Operations	-	-	-	-	-	-	-	-
Other Income / (Expense)	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	-	-	-	-	-
Income (Loss) before Income Tax	-	(100)	100	200	200	200	200	200
% to Net Revenue	0.0%	-100.0%	11.1%	25.0%	25.0%	25.0%	13.3%	13.3%
Income Taxes	-	-	-	-	-	-	-	-
Net Income (Loss)	-	(100)	100	200	200	200	200	200
% to Net Revenue	0.0%	-100.0%	11.1%	25.0%	25.0%	25.0%	13.3%	13.3%
EBITDA without CPS Sale	0	(5100)	3100	5200	3200	3200	3200	3200
% to Net Revenue	0.0%	-100.0%	11.1%	25.0%	40.0%	40.0%	21.3%	21.3%
EBITDA with CPS Sale	0	(5100)	3100	5200	3200	3200	3200	3200
% to Net Revenue	0.0%	-100.0%	11.1%	25.0%	40.0%	40.0%	21.3%	21.3%

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	Budget 2000				Budget - Better (Worse)			
	Q1	Q2	Q3	Q4	\$	%		%
Net Revenue	\$ 400	\$ 600	\$ 1,000	\$ 1,300	\$ 1,400	73.7%		
Cost of Sales	-	-	-	-	800	100.0%		
Depreciation & Amortization	-	-	-	-	800	100.0%		
Total Cost of Sales	-	-	-	-	1,600	200.0%		
% to Net Revenue	0.0%	0.0%	0.0%	0.0%				
Gross Profit	400	600	1,000	1,300	2,200	550.0%		
% to Net Revenue	100.0%	100.0%	100.0%	100.0%				
Operating Expenses:								
Direct Operating Exp w/ Bad Debt	400	500	500	500	(1,100)	-137.5%		
Corporate Allocation	-	-	-	-	(100)	-100.0%		
% to Net Revenue	0.0%	0.0%	0.0%	0.0%				
Restructure Charges	-	-	-	-	-	0.0%		
Depreciation & Amortization	-	-	-	-	-	0.0%		
Corporate Allocation D & A	-	-	-	-	-	0.0%		
Depreciation & Amortization	-	-	-	-	-	0.0%		
Total Operating Expense	400	500	500	500	(1,200)	-133.3%		
% to Net Revenue	100.0%	83.3%	50.0%	38.5%				
Operating Income (Loss) before Interest	-	100	500	800	1,000	500.0%		
% to Net Revenue	0.0%	16.7%	50.0%	61.5%				
Other - Less from Discontinued Operations	-	-	-	-	-	0.0%		
Other Income / (Expense)	-	-	-	-	-	0.0%		
Interest Expense	-	-	-	-	(200)	-100.0%		
Income (Loss) before Income Tax	-	100	500	800	800	400.0%		
% to Net Revenue	0.0%	16.7%	50.0%	61.5%				
Income Taxes	-	-	-	-	-	0.0%		
Net Income (Loss)	-	100	500	800	800	400.0%		
% to Net Revenue	0.0%	16.7%	50.0%	61.5%				
EBITDA without CPS Sale	0	100	500	800	\$1,000	500.0%		
% to Net Revenue	0.0%	16.7%	50.0%	61.5%				
EBITDA with CPS Sale	0	100	500	800	\$1,000	500.0%		
% to Net Revenue	0.0%	16.7%	50.0%	61.5%				

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FuelCarm Holdings Corporation - CPS
Board of Directors, Budget 2000
Forecast 1999 VS Budget 2000

	Forecast 1999				1999s			
	Q1a	Q2a	Q3a	Q4a	Q1a	Q2a	Q3a	Q4a
Net Revenue	\$ 18,600	\$ 21,000	\$ 22,600	\$ 24,300	\$ 86,500			
Cost of Sales	16,500	17,600	19,300	21,300	74,700			
Depreciation & Amortization	16,500	17,600	19,300	21,300	74,700			
Total Cost of Sales	88.7%	83.8%	85.4%	87.7%	86.4%			
Gross Profit	2,100	3,400	3,300	3,000	11,800			
% to Net Revenue	11.3%	16.2%	14.6%	12.3%	13.6%			
Operating Expenses:								
Direct Operating Exp w/ Bad Debt	1,500	2,600	2,800	4,500	11,400			
Corporate Allocation	600	1,100	1,400	1,900	4,900			
% to Net Revenue	3.2%	5.2%	6.2%	7.4%	5.7%			
Restructure Charges	100	100	100	100	400			
Depreciation & Amortization	400	400	500	600	1,900			
Corporate Allocation D & A	500	500	600	700	2,300			
Depreciation & Amortization	2,500	4,200	4,600	7,000	18,600			
Total Operating Expense	14.0%	20.0%	21.2%	28.8%	21.5%			
% to Net Revenue								
Operating Income (Loss) before Interest	(500)	(600)	(1,500)	(4,500)	(8,600)			
% to Net Revenue	-2.7%	-3.8%	-6.6%	-18.5%	-7.8%			
Other - Loss from Discontinued Operations	-	-	-	-	-			
Interest Expense	(700)	(1,000)	(1,500)	(1,400)	(4,400)			
Income (Loss) before Income Tax	(1,200)	(1,600)	(2,800)	(5,400)	(11,200)			
% to Net Revenue	-6.5%	-8.6%	-12.4%	-22.2%	-12.8%			
Income Taxes	-	-	-	-	-			
Net Income (Loss)	\$ (1,200)	\$ (1,600)	\$ (2,800)	\$ (5,400)	\$ (11,200)			
% to Net Revenue	-6.5%	-8.6%	-12.4%	-22.2%	-12.8%			
EBITDA without CPS Sale	0	(500)	(500)	(500)	(4,500)			
% to Net Revenue	0.0%	-1.4%	-4.0%	-12.6%	-5.2%			
EBITDA with CPS Sale	30	(500)	(500)	(500)	(4,500)			
% to Net Revenue	0.0%	-1.4%	-4.0%	-12.6%	-5.2%			

Note: 1999 Net Revenue is net of inter-company elimination, \$2.1 million. Budget

2000 does not have any inter-company revenue.

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	Budget 2000				2000			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Revenue	\$ 25,700	\$ -	\$ -	\$ -	\$ 25,700			
Cost of Sales	22,000	-	-	-	22,000			
Depreciation & Amortization	22,000	-	-	-	22,000			
Total Cost of Sales	85.6%	0.0%	0.0%	0.0%	85.6%			
Gross Profit	3,700	0.0%	0.0%	0.0%	3,700			
% to Net Revenue	14.4%	0.0%	0.0%	0.0%	14.4%			
Operating Expenses:								
Direct Operating Exp w/ Bad Debt	2,800	-	-	-	2,800			
Corporate Allocation	1,700	-	-	-	1,700			
% to Net Revenue	6.6%	0.0%	0.0%	0.0%	6.6%			
Restructure Charges	700	-	-	-	700			
Depreciation & Amortization	700	-	-	-	700			
Corporate Allocation D & A	5,300	-	-	-	5,300			
Depreciation & Amortization	20.2%	0.0%	0.0%	0.0%	20.2%			
Total Operating Expense	(1,500)	0.0%	0.0%	0.0%	(1,500)			
% to Net Revenue	-5.8%	0.0%	0.0%	0.0%	-5.8%			
Operating Income (Loss) before Interest	(1,300)	-	-	-	(1,300)			
Other - Loss from Discontinued Operations	-	-	-	-	-			
Interest Expense	(2,800)	45,000	-	-	45,000			
Income (Loss) before Income Tax	(10.9%)	0.0%	0.0%	0.0%	164.2%			
% to Net Revenue								
Income Taxes	-	-	-	-	-			
Net Income (Loss)	\$ (2,800)	\$ 45,000	\$ -	\$ -	\$ 42,200			
% to Net Revenue	-10.9%	0.0%	0.0%	0.0%	164.2%			
EBITDA without CPS Sale	(500)	0	0	0	(500)			
% to Net Revenue	-3.1%	0.0%	0.0%	0.0%	-3.1%			
EBITDA with CPS Sale	(500)	45,000	0	0	44,200			
% to Net Revenue	-3.1%	0.0%	0.0%	0.0%	172.0%			

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Coram Healthcare Corporation - RHET
Board of Directors, Budget 2002
Forecast 1999 VS Budget 2000

	Forecast 1999					Budget 2000					Budget, Better (Worse)	
	Q1E	Q2E	Q3E	Q4E	1999E	Q1	Q2	Q3	Q4	2000	\$	%
Net Revenue	\$ 25,500	\$ 24,100	\$ 10,300	\$ 9,000	\$ 73,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (76,100)	-100.0%
Cost of Sales	26,500	47,400	8,900	7,500	90,700	-	-	-	-	-	90,700	100.0%
Depreciation & Amortization	28,500	47,400	8,900	7,500	90,700	-	-	-	-	-	90,700	100.0%
Total Cost of Sales	73.2%	204.3%	88.4%	84.4%	114.7%	0.0%	0.0%	0.0%	0.0%	0.0%	-	-
% to Net Revenue	9,800	(24,200)	1,400	1,400	(11,600)	0.0%	0.0%	0.0%	0.0%	0.0%	-	-
Gross Profit	26.3%	-104.3%	15.6%	15.6%	-14.7%	-	-	-	-	-	-	-
% to Net Revenue												
Operating Expenses:												
Direct Operating Exp w/ Bad Debt	4,900	3,200	5,000	4,200	19,300	-	-	-	-	-	19,300	100.0%
Corporate Allocation	1,500	1,200	600	600	3,400	0.0%	0.0%	0.0%	0.0%	0.0%	3,400	100.0%
% to Net Revenue	2.7%	5.2%	4.8%	6.7%	4.3%	-	-	-	-	-	5,100	100.0%
Restructuring Charges	100	200	200	200	700	-	-	-	-	-	700	100.0%
Depreciation & Amortization	700	800	300	200	1,600	-	-	-	-	-	1,600	100.0%
Corporate Allocation R & A	800	700	400	400	2,500	-	-	-	-	-	2,500	100.0%
Depreciation & Amortization	6,700	7,100	11,100	5,200	30,100	0.0%	0.0%	0.0%	0.0%	0.0%	30,100	100.0%
Total Operating Expenses	18.3%	30.6%	107.5%	57.6%	38.1%	-	-	-	-	-	-	-
% to Net Revenue												
Operating Income (Loss) before Interest	3,100	(31,200)	(9,700)	(3,800)	(41,700)	0.0%	0.0%	0.0%	0.0%	0.0%	41,700	100.0%
% to Net Revenue	8.5%	-124.9%	-94.2%	-42.2%	-57.2%	-	-	-	-	-	11,100	98.7%
Other - Loss from Discontinued Operations	-	-	-	(11,600)	(11,600)	(400)	(100)	-	-	(500)	3,500	100.0%
Other Income / (Expense)	(1,400)	(1,100)	(600)	(500)	(3,500)	-	-	-	-	-	-	-
Interest Expense	1,700	(24,400)	(10,200)	(15,900)	(59,500)	0.0%	0.0%	0.0%	0.0%	0.0%	59,500	98.1%
Income (Loss) before Income Tax	4.6%	-103.2%	-100.0%	-176.7%	-71.9%	-	-	-	-	-	-	-
% to Net Revenue												
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Net Income (Loss)	\$ 1,700	\$ (23,400)	\$ (10,300)	\$ (15,900)	\$ (58,000)	\$ (400)	\$ (100)	\$ -	\$ -	\$ (500)	\$ 58,400	99.1%
% to Net Revenue	4.6%	-103.2%	-100.0%	-176.7%	-71.9%	0.0%	0.0%	0.0%	0.0%	0.0%	98.9%	98.9%
EBITDA without CFS Sale	3,900	(20,600)	(34,200)	(315,000)	(185,500)	(2,400)	(3100)	\$0	\$0	(1500)	\$45,400	98.9%
% to Net Revenue	10.7%	-131.8%	-40.8%	-168.7%	-255.0%	0.0%	0.0%	0.0%	0.0%	0.0%	98.9%	98.9%
EBITDA with CFS Sale	23,900	(29,500)	(24,200)	(315,000)	(185,500)	(2,400)	(3100)	\$0	\$0	(1500)	\$45,400	98.9%
% to Net Revenue	10.7%	-131.8%	-40.8%	-168.7%	-255.0%	0.0%	0.0%	0.0%	0.0%	0.0%	98.9%	98.9%

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Coram Healthcare Corporation
Board of Directors, Budget 2000
With Inter-Company Eliminations

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Coram Healthcare Corporation
"Key Initiatives Drivers"

Board of Directors, Budget 2000

- New Revenue Growth - \$29mm 7.4%
 - ❖ Generalist versus Specialist Sales force in 2000
 - ❖ New Strategic Business Unit leadership driving new sales and marketing programs - Manage Care carve-outs.
 - ❖ New Hemophilia sales and marketing program expected to grow \$8.0mm (50%) in 2000.
 - ❖ New national contract with United Healthcare (Q1) to replace projected Aetna lost business in (Q2) - 90% confidence level.
- Cost of Goods/Mix Improvement
 - ❖ Commissionable therapy growth of new revenue at 70-80% standard margins versus current mix standard margins of 59%.
 - ❖ 2000 Sales Compensation only paying on commissionable therapies and EBITDA improvement.
 - ❖ Target low margin accounts for price increase
 - ❖ 2000 COS - from drug wholesaler, estimated annual savings \$250,000.
- Nursing Cost Savings
 - ❖ 1% improvement versus 1999
 - ❖ Primary Care Management Model (PCMM) rolled out to reduce current cost per visit by 10%.
 - ❖ Standardize use of Home Healthcare Laboratory of America (HHLA) program in 2000
 - ❖ Moving nurse staffing to more variable versus fixed cost via Per Diem.
 - ❖ Producing Monthly Management Reports to monitor Nurse Manager's performance under PCMM and HHLA.
- Cash Collection Performance
 - ❖ Reorganize reporting structure by moving Area Reimbursement Managers under AVP Operations to connect the front and back end process.
 - ❖ All 2000 Bonus and Sales commission plans will be tied to cash collection results to gain total support from each team member to drive results.
 - ❖ Dedicated individual to work with each Medicare DMERC location.
 - ❖ Have begun legal communication with delinquent Payer Accounts.
- Sale of CPS Q2 - \$70 million generating \$60 million paydown of debt and \$45 million gain
- Company Wide Expense Management Control
 - ❖ Headcount management controls established - budget, performance, staffing model and Sr. Management approval.
 - ❖ Individual Budget Monthly Accountability; Weekly reporting of new cost savings initiatives
 - ❖ Elimination of discretionary spending; Micro Management by senior management

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**CORAM HEALTHCARE CORPORATION
BOARD OF DIRECTORS, BUDGET 2000
FORECASTED BALANCE SHEET AND
CASHFLOW ASSUMPTIONS**

	Q1	Q2	Q3	Q4
1) DSO	80	78	76	74
2) AP Aging	50	39	37	40

3) Summary of CPS Sale, April 1, 2000

Estimated cash proceeds	\$ 70,000,000
Estimated costs associated with sale	(5,000,000)
Net proceeds on sale	\$ 65,000,000
Net Book Value estimated	(14,200,000)
Reserves from sale	(5,800,000)
Estimated gain on sale of asset	<u>\$ 45,000,000</u>
Net proceeds on sale	\$ 65,000,000
Paydown portion of principle on Series B debt	(60,000,000)
Cash available for operations	<u>\$ 5,000,000</u>

4) All interest payments due on Bank debt in 2000 are paid in cash (no PIKs). \$60 million reduction in Series B debt principle from the sale of CPS. Senior Credit Facility line remains at \$44m with a 1/2 % pt. increase in 7/00.

5) Credit facility borrowing base, using November 1999 A/R balances, without R-Net and CPS is \$52 million. With the credit facility at \$44 million, Coram could be required to report weekly financial data to the noteholders.

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Coram Healthcare Corporation - Consolidated
Board of Directors, Budget 2000
Forecast 1999 VS Budget 2000

	Forecast 1999	Budget 2000	Budget - Better (Worse)	%
Net Revenue	\$ 599,800	\$ 453,200	\$ (146,700)	-24.5%
Cost of Sales	403,500	343,700	159,800	28.0%
Depreciation & Amortization	5,400	5,100	300	5.6%
Total Cost of Sales	408,900	348,800	140,100	28.7%
% to Net Revenue	81.5%	77.0%		
Gross Profit	111,000	104,400	(6,600)	-5.9%
% to Net Revenue	18.5%	23.0%		
Operating Expenses:				
Direct Operating Exp w/ Bad Debt	100,000	81,500	39,500	39.5%
Corporate Allocation	32,000	32,700	(700)	-2.2%
% to Net Revenue	5.3%	7.2%		
Restructure Charges	10,200	-	10,200	100.0%
Depreciation & Amortization	6,000	2,000	4,000	66.7%
Corporate Allocation D & A	13,200	14,000	(800)	-6.1%
Depreciation & Amortization	18,000	16,000	2,000	11.1%
Total Operating Expense	182,000	110,200	51,800	28.5%
% to Net Revenue	27.0%	24.3%		
Operating Income (Loss) before Interest	(51,000)	45,200	88.6%	
% to Net Revenue	-8.5%	-1.3%		
Other - Loss from Discontinued Operations	(11,600)	(500)	11,100	95.7%
Other Income / (Expense)	(1,000)	44,200	45,200	4520.0%
Interest Expense	(30,200)	(23,700)	6,500	21.5%
Income (Loss) before Income Tax	(93,800)	14,200	108,000	115.1%
% to Net Revenue	-15.6%	3.1%		
Income Taxes	500	500	-	0.0%
Net Income (Loss)	\$ (94,300)	\$ 13,700	\$ 108,000	114.5%
% to Net Revenue	-15.7%	3.0%		
EBITDA without CPS Sale	\$ (20,300)	\$ 14,000	\$ 42,300	149.0%
% to Net Revenue	-4.7%	3.1%		
EBITDA with CPS Sale	\$ (28,200)	\$ 59,000	\$ 87,200	309.2%
% to Net Revenue	-4.7%	13.0%		

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FinalCoram Healthcare Corporation - Consolidated
Board of Directors, Budget 2000
Forecast 1999 VS Budget 2000

	Forecast 1999				1999e			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Net Revenue	\$ 161,000	\$ 152,800	\$ 143,200	\$ 142,800	\$ 142,800	\$ 599,600		
Cost of Sales	121,500	145,400	109,000	107,600	483,500			
Depreciation & Amortization	1,400	1,500	1,300	1,200	5,400			
Total Cost of Sales	122,900	146,900	110,300	108,800	488,900			
% to Net Revenue	76.3%	96.1%	77.0%	76.1%	81.3%			
Gross Profit	38,100	5,900	32,900	34,100	111,000			
% to Net Revenue	23.7%	3.9%	23.0%	23.9%	18.5%			
Operating Expenses:								
Direct Operating Exp w/ Bad Debt	21,200	23,300	22,000	33,500	100,000			
Corporate Allocation	4,900	8,000	8,700	10,400	32,000			
% to Net Revenue	3.0%	5.2%	6.1%	7.3%	5.3%			
Restructure Charges	1,000	800	1,000	4,100	10,200			
Depreciation & Amortization	3,400	3,200	3,200	3,300	13,200			
Corporate Allocation D & A	4,200	4,200	4,200	7,200	19,800			
Depreciation & Amortization	31,300	35,500	40,000	55,200	162,000			
Total Operating Expenses	134,400	134,200	137,400	173,400	524,200			
% to Net Revenue	83.4%	88.2%	95.7%	121.4%	85.3%			
Operating Income (Loss) before Interest	6,800	(29,600)	(7,100)	(21,100)	(51,000)			
% to Net Revenue	4.2%	-19.4%	-5.0%	-14.8%	-8.5%			
Other - Loss from Discontinued Operations	(500)	(700)	100	(11,600)	(11,500)			
Other Income / (Expense)	(500)	(700)	100	(11,600)	(11,500)			
Interest Expense	(8,600)	(7,500)	(8,100)	(8,000)	(32,200)			
Income (Loss) before Income Tax	(9,000)	(37,800)	(15,100)	(40,600)	(93,800)			
% to Net Revenue	-5.6%	-24.7%	-10.5%	-28.4%	-15.6%			
Income Taxes	100	200	100	100	500			
Net Income (Loss)	\$ (8,900)	\$ (38,000)	\$ (15,200)	\$ (40,700)	\$ (94,300)			
% to Net Revenue	-5.5%	-24.9%	-10.6%	-28.5%	-15.7%			
EBITDA without CPS Sale	\$12,800	\$24,600	\$3,600	\$20,100	\$328,200			
% to Net Revenue	8.0%	16.1%	2.5%	14.1%	47.7%			
EBITDA with CPS Sale	\$12,800	\$24,600	\$3,600	\$20,100	\$328,200			
% to Net Revenue	8.0%	16.1%	2.5%	14.1%	47.7%			

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CORAM HEALTHCARE CORPORATION
BOARD OF DIRECTORS, BUDGET-2000
CONSOLIDATED STATEMENTS OF CASH FLOW

	FOR THE THREE MONTHS ENDED,				For the twelve months ended
	March 31, 2000 (Unaudited)	June 30, 2000 (Unaudited)	September 30, 2000 (Unaudited)	December 31, 2000 (Unaudited)	December 31, 2000 (Unaudited)
OPERATING CASH FLOW					
CASH RECEIPTS	\$ 141,333	\$ 107,019	\$ 101,819	\$ 104,950	\$ 455,121
CASH DISBURSEMENTS	(137,064)	(101,742)	(98,485)	(97,525)	(434,816)
NET OPERATING CASH FLOW	4,269	5,277	3,334	7,425	20,305
NON-RECURRING CASH FLOW					
CAPITAL EXPENDITURES	(2,052)	(1,143)	(448)	(326)	(3,969)
ASSET SALE, net of costs	-	65,000	-	-	65,000
INTEREST PAYMENTS	(3,377)	(1,176)	(4,841)	(6,604)	(15,998)
PRINCIPAL PAYMENTS	-	(60,000)	-	-	(60,000)
TOTAL PAYMENTS TO DEBT HOLDERS	(3,377)	(61,176)	(4,841)	(6,604)	(75,998)
RESTRUCTURING PAYMENTS	(5,154)	(2,127)	(1,484)	(1,268)	(10,034)
OTHER DISBURSEMENTS INCLUDING LEGAL FEES	(1,614)	(2,841)	(201)	(1)	(4,657)
TAX PAYMENTS	(125)	(123)	(125)	(125)	(500)
OTHER DEBT PAYMENTS NET OF INTEREST INCOME	(136)	(54)	(40)	(87)	(317)
TOTAL CASH FLOW	\$ (8,189)	\$ 2,811	\$ (3,805)	\$ (987)	\$ (10,170)
BEGINNING CASH	\$ 11,059	2,870	5,681	1,376	11,059
ENDING CASH	\$ 2,870	\$ 5,691	\$ 1,876	\$ 889	\$ 889

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FinalCORAM HEALTHCARE CORPORATION
BOARD OF DIRECTORS, BUDGET 2000
COMPARATIVE CONDENSED BALANCE SHEETS

	March 31, 2000 (Unaudited)	June 30, 2000 (Unaudited)	September 30, 2000 (Unaudited)	December 31, 2000 (Unaudited)	November 30, 1999 (Unaudited)	December 31, 1999 (Unaudited)
ASSETS						
CASH	\$ 2,870	\$ 5,681	\$ 1,877	\$ 889	\$ 12,715	\$ 11,059
ACCOUNTS RECEIVABLE	104,791	83,491	83,603	84,488	130,730	114,688
INVENTORIES	20,962	16,171	16,171	15,827	19,736	20,845
PROPERTY AND EQUIPMENT, net	23,761	19,378	16,949	13,547	24,482	23,838
GOODWILL, net	216,333	216,537	213,741	210,845	228,051	222,129
OTHER	32,408	38,238	35,155	34,244	33,878	33,597
TOTAL ASSETS	\$ 404,125	\$ 377,594	\$ 387,486	\$ 360,320	\$ 447,703	\$ 426,026
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES	\$ 80,283	\$ 89,352	\$ 87,426	\$ 85,494	\$ 82,805	\$ 104,081
BANK DEBT	302,299	242,289	242,289	242,289	302,288	302,289
OTHER LONG-TERM LIABILITIES	18,313	18,578	18,546	19,141	17,959	18,177
TOTAL LIABILITIES	400,895	350,219	348,261	346,912	413,052	424,557
STOCKHOLDERS' EQUITY	(5,770)	27,375	18,913	12,385	34,650	1,468
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 404,125	\$ 377,594	\$ 387,486	\$ 360,320	\$ 447,703	\$ 426,026

COMMENTS:

Stark II Equity Infusion. Estimated:

Using the Budget 2000 Stockholders' Equity, capital infusions would be required as noted:

- 1) To meet the December 31, 2000 minimum equity of \$75,001, \$52,701 would be required.
- 2) To meet the annual average test using 1998 and estimated 1999 and estimated 2000 Stockholders' Equity at December 31 of each period, \$120,000 would be required.
- 3) To meet the quarterly average test using the quarterly estimates for 2000, 1999 and 1998, \$280,000 would be required.

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FinalCoram Healthcare Corporation - Intuition
Board of Directors, Budget 2000
Forecast 1999 VS Budget 2000

	Forecast 1999				Budget 2000				Budget - Better (Worse)	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	\$	%
Net Revenue	\$ 105,700	\$ 108,500	\$ 109,400	\$ 109,800	\$ 432,400	\$ 109,400	\$ 102,000	\$ 104,600	\$ 108,200	\$ 424,200
Cost of Sales	78,300	80,400	80,300	79,400	317,300	82,100	78,000	79,900	81,700	321,700
Depreciation & Amortization	1,400	1,500	1,300	1,200	5,400	1,200	1,300	1,300	1,300	5,100
Total Cost of Sales	79,700	81,900	81,600	79,600	322,700	83,300	79,300	81,200	83,000	326,800
% to Net Revenue	75.3%	75.5%	74.6%	73.2%	74.5%	76.1%	72.7%	75.6%	76.7%	77.0%
Gross Profit	26,100	26,600	27,800	29,300	109,700	26,100	22,700	23,400	25,200	97,400
% to Net Revenue	24.7%	24.5%	25.4%	26.8%	25.4%	23.9%	22.3%	22.4%	23.3%	23.0%
Operating Expenses:										
Direct Operating Exp w/ Bad Debt	14,700	15,300	15,800	24,600	68,500	14,500	14,100	14,800	14,200	58,500
Corporate Allocation	3,300	5,700	6,700	7,000	22,600	7,100	8,400	7,500	7,500	30,500
Restructure Charges	1,000	500	700	4,100	5,100	500	500	500	500	2,000
Depreciation & Amortization	2,300	2,400	2,500	2,500	9,700	2,600	3,500	3,500	3,500	13,500
Corporate Allocation D & A	2,900	3,000	3,200	6,100	15,200	3,500	4,000	4,000	4,000	15,300
Depreciation & Amortization	21,900	24,000	23,800	42,700	112,400	25,100	26,500	25,500	25,700	102,500
Total Operating Expense	20,7%	22.1%	21.8%	39.2%	26.0%	23.0%	26.0%	24.6%	23.8%	24.3%
% to Net Revenue										
Operating Income (Loss) before Interest	4,200	2,600	4,000	(13,500)	(3,700)	800	(3,800)	(2,100)	(500)	(2,800)
% to Net Revenue	4.0%	2.4%	3.7%	-12.4%	-0.6%	0.8%	-3.7%	-2.0%	-0.5%	-1.3%
Other - Loss from Discontinued Operations	(500)	(700)	100	100	(1,000)	(200)	(200)	(200)	(200)	(800)
Interest Expense	(4,500)	(5,000)	(6,200)	(6,100)	(22,200)	(5,500)	(6,500)	(5,500)	(5,500)	(22,500)
Income (Loss) before Income Tax	(800)	(3,500)	(2,100)	(19,500)	(25,900)	(4,500)	(9,500)	(7,800)	(6,200)	(28,500)
% to Net Revenue	-0.8%	-3.2%	-1.9%	-17.9%	-6.0%	-4.4%	-9.4%	-7.5%	-5.7%	-6.7%
Income Taxes	100	200	100	100	500	100	200	100	100	500
Net Income (Loss)	(900)	(3,700)	(2,200)	(19,600)	(26,400)	(4,600)	(9,700)	(7,900)	(6,300)	(29,000)
% to Net Revenue	-0.9%	-3.4%	-2.0%	-18.0%	-6.1%	-4.5%	-9.5%	-7.8%	-5.8%	-6.8%
EBITDA without CPS Sale	\$9,000	\$6,400	\$8,600	(52,000)	\$22,000	\$5,200	\$1,300	\$3,000	\$4,600	\$14,100
% to Net Revenue	8.5%	5.9%	7.9%	-47.3%	5.1%	4.8%	1.3%	2.9%	4.3%	3.3%
EBITDA with CPS Sale	\$9,000	\$6,400	\$8,600	(52,000)	\$22,000	\$5,200	\$1,300	\$3,000	\$4,600	\$14,100
% to Net Revenue	8.5%	5.9%	7.9%	-47.3%	5.1%	4.8%	1.3%	2.9%	4.3%	3.3%

Note: 1999 Net Revenue is net of inter-company elimination, \$23.1 million. Budget 2000 does not have any inter-company revenue.

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Coram Healthcare Corporation
Board of Directors, Budget 2000
Infusion Net Revenue Growth - '99 Vs '00
 \$ in 000's

Ytd October Revenue, with inter-company transactions	<u>\$ 380,000</u>
Annualized Oct. YTD	<u>\$ 458,000</u>
Partnership Deconsolidation subtraction	<u>(4,000)</u>
Adjusted for Deconsolidation	<u>452,000</u>
Annualized Losses Rnet and Prolaslin	<u>(63,000)</u>
1999 with adjustment with full year impact of losses	<u>389,000</u>
Add back for Aetna & Prudential Q1 00	<u>5,000</u>
Restated 1999 Revenue	<u>\$ 395,000</u>
Target Budget 2000	<u>\$ 424,200</u>
Growth vs. Restated 1999 \$	<u>\$ 29,200</u>
Growth vs. Restated 1999 %	<u>7.4%</u>

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FinalCoram Healthcare Corporation - CFI
Board of Directors Budget 2000
Forecast 1999 vs Budget 2000

	Forecast 1999				Q4 1999				Q4 2000				Budget - Better (Worse)	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	\$	%
Net Revenue	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 1,400	73.7%
Cost of Sales	-	-	-	-	-	-	-	-	-	-	-	-	800	100.0%
Depreciation & Amortization	-	-	-	-	-	-	-	-	-	-	-	-	800	0.0%
Total Cost of Sales	-	-	-	-	-	-	-	-	-	-	-	-	800	100.0%
% to Net Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Gross Profit	100	100	100	100	100	100	100	100	100	100	100	100	2,200	200.0%
% to Net Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Operating Expenses:														
Direct Operating Exp w/ Bad Debt	100	100	100	100	100	100	100	100	100	100	100	100	(1,100)	-137.5%
Corporate Allocation	-	-	-	-	-	-	-	-	-	-	-	-	(100)	-100.0%
% to Net Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Restructure Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Depreciation & Amortization	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Corporate Allocation O & A	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Total Operating Expense	100	100	100	100	100	100	100	100	100	100	100	100	(1,200)	-133.3%
% to Net Revenue	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%		
Operating Income (Loss) before Interest	-	-	-	-	-	-	-	-	-	-	-	-	1,000	500.0%
% to Net Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Other - Loss from Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Other Income / (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	(200)	100.0%
Income (Loss) before Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	800	400.0%
% to Net Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
Income Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Net Income (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	800	400.0%
% to Net Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
EBITDA without CPS Sale	0	0	0	0	0	0	0	0	0	0	0	0	\$1,000	500.0%
% to Net Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		
EBITDA with CPS Sale	0	0	0	0	0	0	0	0	0	0	0	0	\$1,000	500.0%
% to Net Revenue	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		

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FinalCoram Healthcare Corporation - CPS
Board of Directors, Budget 2000
Forecast 1999 VS Budget 2000

	Forecast 1999				Budget 2000				Budget - Better (Worse)	
	Q1s	Q2s	Q3s	Q4s	Q1	Q2	Q3	Q4	\$	%
Net Revenue	\$ 18,600	\$ 21,000	\$ 22,600	\$ 24,300	\$ 25,700	\$ 25,700	\$ -	\$ -	\$ (90,800)	-70.3%
Cost of Sales	18,500	17,600	18,900	21,300	22,000	22,000	-	-	82,700	70.5%
Depreciation & Amortization	16,500	17,600	19,200	21,300	22,000	22,000	-	-	59,700	70.5%
Total Cost of Sales	35,000	35,200	38,100	42,600	44,000	44,000	-	-	142,400	81.0%
% to Net Revenue	188.2%	167.6%	170.8%	175.3%	171.2%	171.2%	-	-		
Gross Profit	2,100	3,400	3,700	3,000	3,700	3,700	0.0%	0.0%	(8,100)	-68.6%
% to Net Revenue	11.3%	16.2%	14.6%	12.3%	14.4%	14.4%	-	-		
Operating Expenses:										
Direct Operating Exp w/ Bad Debt	1,500	2,600	2,800	4,500	2,800	2,800	-	-	8,600	75.4%
Corporate Allocation	600	1,100	1,400	1,800	1,700	1,700	-	-	3,200	65.3%
% to Net Revenue	3.2%	5.2%	6.2%	7.4%	6.6%	6.6%	-	-		
Restructure Charges	-	-	-	-	-	-	-	-	-	0.0%
Depreciation & Amortization	100	100	100	100	700	700	-	-	400	100.0%
Corporate Allocation D & A	400	500	500	600	700	700	-	-	1,200	63.2%
Depreciation & Amortization	500	500	600	700	5,200	5,200	-	-	1,500	69.6%
Total Operating Expense	2,600	4,200	4,800	7,000	5,200	5,200	-	-	13,400	72.0%
% to Net Revenue	14.0%	20.0%	21.2%	28.8%	20.2%	20.2%	-	-		
Operating Income (Loss) before Interest	(500)	(800)	(1,500)	(4,000)	(1,500)	(1,500)	-	-	5,300	77.9%
% to Net Revenue	-2.7%	-3.8%	-6.6%	-16.5%	-5.8%	-5.8%	-	-		
Other - Loss from Discontinued Operations	-	-	-	-	-	-	-	-	-	0.0%
Other Income / (Expense)	(700)	(1,000)	(1,300)	(1,400)	(1,300)	(1,300)	-	-	45,000	100.0%
Interest Expense	(1,200)	(1,800)	(2,800)	(5,400)	(1,300)	(1,300)	-	-	3,100	70.5%
Income (Loss) before Income Tax	(2,900)	(2,800)	(5,600)	(11,200)	(2,600)	(2,600)	-	-	53,400	478.9%
% to Net Revenue	-15.6%	-13.3%	-24.8%	-46.1%	-10.1%	-10.1%	-	-		
Income Taxes	-	-	-	-	-	-	-	-	-	0.0%
Net Income (Loss)	(2,900)	(2,800)	(5,600)	(11,200)	(2,600)	(2,600)	-	-	53,400	478.9%
% to Net Revenue	-15.6%	-13.3%	-24.8%	-46.1%	-10.1%	-10.1%	-	-		
EBITDA without CPS Sale	0	(3,000)	(3,000)	(3,300)	(3,000)	(3,000)	-	-	53,700	82.2%
% to Net Revenue	0.0%	-14.3%	-13.3%	-13.6%	-11.7%	-11.7%	-	-		
EBITDA with CPS Sale	30	(3,000)	(3,000)	(3,300)	(3,000)	(3,000)	-	-	54,700	1082.2%
% to Net Revenue	0.0%	-14.3%	-13.3%	-13.6%	-11.7%	-11.7%	-	-		

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Notes: 1999 Net Revenue is net of inter-company elimination, \$2.1 million. Budget 2000 does not have any inter-company revenue.

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Coram Healthcare Corporation - RNET
Board of Directors, Budget 2000
Forecast 1999 VS Budget 2000

	Forecast 1999				1999a			
	Q1a	Q2a	Q3a	Q4a	Q1a	Q2a	Q3a	Q4a
Net Revenue	\$ 36,600	\$ 23,200	\$ 10,300	\$ 8,000	\$ 79,100	\$ 79,100	\$ 79,100	\$ 79,100
Cost of Sales	26,600	47,400	8,900	7,600	90,700	90,700	90,700	90,700
Depreciation & Amortization	26,800	47,400	8,900	7,600	90,700	90,700	90,700	90,700
Total Cost of Sales	73.2%	204.3%	86.4%	94.6%	114.7%	114.7%	114.7%	114.7%
% to Net Revenue								
Gross Profit	9,000	(24,200)	1,400	400	(11,600)	(11,600)	(11,600)	(11,600)
% to Net Revenue	26.8%	-104.3%	13.6%	5.0%	-14.7%	-14.7%	-14.7%	-14.7%
Operating Expenses:								
Direct Operating Exp w/ Bad Debt	4,900	5,200	5,000	4,200	19,300	19,300	19,300	19,300
Corporate Allocation	1,000	1,300	600	800	3,400	3,400	3,400	3,400
% to Net Revenue	2.7%	5.2%	5.8%	6.7%	4.3%	4.3%	4.3%	4.3%
Restructure Charges	100	200	200	200	700	700	700	700
Depreciation & Amortization	700	500	200	200	1,600	1,600	1,600	1,600
Corporate Allocation O & A	800	700	400	400	2,300	2,300	2,300	2,300
Depreciation & Amortization	8,700	7,100	11,100	5,200	30,100	30,100	30,100	30,100
Total Operating Expense	16.3%	30.6%	107.8%	57.6%	36.1%	36.1%	36.1%	36.1%
% to Net Revenue								
Operating Income (Loss) before Interest	3,100	(31,300)	(9,700)	(3,800)	(41,700)	(41,700)	(41,700)	(41,700)
% to Net Revenue	8.5%	-134.9%	-94.2%	-47.5%	-52.7%	-52.7%	-52.7%	-52.7%
Other - Loss from Discontinued Operations								
Other Income / (Expense)	(1,400)	(1,100)	(600)	(500)	(3,600)	(3,600)	(3,600)	(3,600)
Interest Expense								
Income (Loss) before Income Tax	1,700	(32,400)	(10,300)	(4,300)	(45,300)	(45,300)	(45,300)	(45,300)
% to Net Revenue	4.6%	-139.7%	-100.0%	-53.4%	-57.3%	-57.3%	-57.3%	-57.3%
Income Taxes								
Net Income (Loss)	1,700	(32,400)	(10,300)	(4,300)	(45,300)	(45,300)	(45,300)	(45,300)
% to Net Revenue	4.6%	-139.7%	-100.0%	-53.4%	-57.3%	-57.3%	-57.3%	-57.3%
EBITDA without CPS Sale	3,900	(30,600)	(4,200)	(4,200)	(35,100)	(35,100)	(35,100)	(35,100)
% to Net Revenue	10.7%	-131.8%	-40.8%	-52.5%	-44.4%	-44.4%	-44.4%	-44.4%
EBITDA with CPS Sale	33,900	(30,600)	(4,200)	(4,200)	(45,900)	(45,900)	(45,900)	(45,900)
% to Net Revenue	10.7%	-131.8%	-40.8%	-52.5%	-58.0%	-58.0%	-58.0%	-58.0%

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Exhibit B

REPORTER: LORRIE L. MARCHANT, RPH, CRR, CSR NO. 10523

EXHIBIT: 9

Witness:

Date: 4/5/07

of pages: 16

**MINUTES OF A TELEPHONIC MEETING
OF THE BOARD OF DIRECTORS OF
CORAM HEALTHCARE CORPORATION**

December 21, 1999

A telephonic meeting of the Board of Directors of Coram Healthcare Corporation (the "Company") was convened at approximately 9:35 a.m. MST. Participating in the meeting were the following Directors: Daniel D. Crowley, Chairman of the Board, Chief Executive Officer and President; Donald J. Amaral; William J. Casey; and Richard A. Fink. Stephen A. Feinberg and L. Peter Smith participated in the meeting as indicated below. Allen J. Marabito, Executive Vice President; Wendy L. Simpson, the former Chief Financial Officer of the Company; Vito Ponzio, Senior Vice President, Human Resources; Scott Danitz, Vice President and Controller; and Scott T. Larson, Senior Vice President, General Counsel and Secretary, also participated in the meeting. Also in attendance as indicated below were Dan Smithson and Kurt Davis of Dynamic Healthcare Solutions; Christina Morrison of Deutsche Banc Alex Brown; Alan Kornberg of Paul, Weiss, Rifkind & Garrison; and Michael Kahn of Folger, Levin & Kahn. Mr. Crowley acted as Chairman of the meeting and Mr. Larson kept the minutes.

REVIEW AND APPROVAL OF MINUTES FROM PRIOR MEETINGS

The first item of business was a review and consideration of the minutes from prior meetings of the Board of Directors that had been circulated to the Board. Upon a motion duly made and seconded, the minutes from the prior meetings of the Board dated October 22 and 27, 1999, and November 2 and 17, 1999, were unanimously approved as presented.

FINANCIAL UPDATE

The first portion of the financial update was a report on the status of the sale of the Company's prescription services division, Coram Prescription Services ("CPS"). Christina Morrison outlined that actions that had been undertaken in connection with the sale and summarized the status of the auction process. This included a description of the numbers of parties that had expressed interest in CPS and the numbers of parties that had obtained offering memoranda describing CPS. Mr. Feinberg joined the meeting. Ms. Morrison responded to the questions of the Board and completed her status report. Ms. Morrison departed from the meeting. The Board continued to discuss the prospects for selling CPS and various alternatives such as reducing its costs and retaining its operation in the event no appropriate or reasonable bids were received for the division.

The next portion of the financial report consisted of a summary of Company operations during the fourth quarter of 1999 and the anticipated need for taking a restructuring charge in such quarter for a variety matters. A schedule outlining the proposed charge was included with

Minutes of the Board of Directors
December 21, 1999
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the materials presented to the Board of Directors. The discussion that ensued included, among other items, certain cost cutting measures, such as head count reductions and related severance costs, liquidation of the Resource Network division, write downs of the Company's accounts receivable balances, and anticipated impairment of the goodwill that had been recorded on the Company's balance sheet. Upon a motion duly made and seconded, the Board unanimously approved the reporting of a proposed restructuring charge, subject to audit by the Company's independent auditors, that would be taken in the Company's financial statements for the fourth quarter of the year ended December 31, 1999.

Management then summarized the Company's financial performance during the fourth quarter of 1999. The discussion included a description of certain factors that impacted the Company's financial performance, including the mix of therapies provided by the Company, the use of per diem employees, write-offs of accounts receivable, and other factors. A discussion of the Company's cash collections and uses thereof then ensued.

Management then presented the budget for the upcoming year ending December 31, 2000. Copies of such budget had been distributed to the Board prior to the meeting. The presentation included a discussion of certain assumptions that were used in creating the budget, including the sale of CPS. Following a discussion and upon a motion duly made and seconded, the Company's Year 2000 Budget was unanimously adopted and approved as presented.

The next portion of the financial update was a discussion of the Company's listing status with the New York Stock Exchange (the "NYSE"). Ms. Simpson reported on the types of information that would be presented to the NYSE in response to their prior request for information regarding the Company's plans for bringing the Company back into compliance with the minimum listing requirements for the NYSE. The dialogue also included the strategies management was recommending in the event the NYSE commences de-listing procedures. The discussion then turned to the relative costs and benefits of maintaining the NYSE listing. Upon a motion duly made and seconded, the Board adopted the resolutions set forth on Exhibit 1 hereto regarding the Company's listing on the NYSE listing and moving to the Over the Counter Bulletin Board maintained by the National Association of Securities Dealers.

Mr. Feinberg reported on preliminary information regarding a debt to equity conversion. The conversations occurred pursuant to the discussions this Board had on December 17, 1999 regarding the Company's compliance with the "public company" exception to the Stark II Law. The Board then discussed a strategy for pursuing the conversion with the debtholders. Upon a motion duly made and seconded, the Board engaged Alan Kornberg to assist the Company in exploring a conversion of debt to raise the Company's stockholders' equity.

The Board then renewed its discussion of a special independent committee to negotiate, as needed, the terms of any such debt conversion. Upon a motion duly made and seconded, the

Minutes of the Board of Directors
December 21, 1999
Page 3

Board unanimously adopted a resolution establishing a special independent committee comprised of Messrs. Casey, Fink and Smith to work as required with Mr. Kornberg in obtaining and negotiating the terms of an equity conversion as of December 31, 1999.

LEGAL UPDATE

Mr. Kahn led a privileged and confidential discussion of the status of the litigation between the Company and Aetna U.S. Healthcare, Inc. ("Aetna"), including the procedural status of the case.

Mr. Kornberg then reported on the status of the bankruptcy proceedings involving the Company's subsidiaries, Coram Resource Network, Inc. and Coram Independent Practice Association, Inc. The discussion also included a privileged and confidential report on the status of the liquidation of these subsidiaries.

Additional privileged and confidential reports regarding the status of the dispute involving the Internal Revenue Service and the litigation with PriceWaterhouseCoopers were then given. The Board requested an update at a later time.

Messrs. Kahn and Kornberg and Ms. Simpson departed from the meeting.

COMPENSATION AND OTHER ISSUES

The Board then considered the management incentive compensation plan described in the materials previously distributed to the Board in connection with the meeting. After discussion and upon a motion duly made and seconded, the Board unanimously approved the management incentive compensation plan in the form presented.

The cost of the 401(k) match by the Company was discussed, and the Board considered a proposal to discontinue the Company's matching of employee contributions under the Company's 401(k) plan. Upon a motion duly made and seconded, the Board unanimously adopted the resolutions set forth on Exhibit 2 hereto regarding the discontinuance of employer matching contributions under the Company's 401(k) plan.

The Board considered the level of directors' and officers' liability insurance ("D&O Insurance") that the Company currently maintains. A recommendation was made to increase the level of D&O Insurance coverage to a total of \$100 million through serial layers of coverage. The Board discussed the necessity of the increased D&O Insurance coverage given the challenges and uncertainties facing the Company and determined that it was in the best interests of the Company and its stockholders to obtain such coverage. Upon a motion duly made and

Minutes of the Board of Directors
December 21, 1999
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seconded, the Board unanimously adopted the resolutions set forth on Exhibit 3 regarding the procurement of such D&O Insurance.

The discussion then turned to a proposal to settle a dispute between the Company and Julia Kopta, Esq., the former Special Counsel to the Chief Executive Officer. After a review of the proposed terms and the Board's questions having been responded to, the Board unanimously resolved to authorize management to settle the Company's dispute with Ms. Kopta on substantially the terms in the materials presented to the Board coupled with a general release from Ms. Kopta.

Next, the Board considered a proposal to retain the interim services of its former Chief Financial Officer, Wendy L. Simpson, on the terms distributed to the Board prior to the meeting. Upon a motion duly made and seconded, the Board unanimously resolved to authorize management to offer an engagement to Ms. Simpson on the terms presented to this Board.

Mr. Smith departed from the meeting.

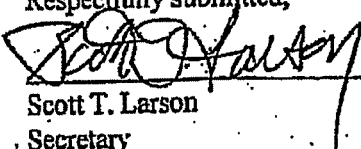
A discussion then followed regarding the retention of Dynamic Healthcare Solutions, L.L.C., a consulting firm affiliated with Mr. Crowley. Mr. Crowley outlined the experience and credentials of the persons at Dynamic Healthcare Solutions that he expected would provide services to the Company on an as needed basis. After discussion and upon a motion duly made and seconded, the Board unanimously adopted the resolutions attached hereto as Exhibit 4 regarding the retention of Dynamic Healthcare Solutions.

The next item was the consideration of Sandra Smoley as a candidate who would join the Company's Board of Directors. Mr. Crowley reviewed with the Board materials describing Ms. Smoley's background and experience that were distributed to the Board prior to the meeting. The Board members expressed their interest in meeting and interviewing her regarding her candidacy as a potential member of the Board.

It was noted that February 10, 2000 was the next scheduled meeting of this Board. The Board agreed to hold the meeting telephonically on such date.

There being no further business, the meeting was adjourned at 11:15 a.m. MST.

Respectfully submitted,



Scott T. Larson
Secretary

EXHIBIT 1

**CORAM HEALTHCARE CORPORATION
RESOLUTIONS OF THE BOARD OF DIRECTORS**

December 21, 1999

WHEREAS, shares of the Company's \$.001 par value common stock (the "Common Stock") have been listed and traded on the New York Stock Exchange (the "Exchange") since the Company's inception in 1994;

WHEREAS, the Company has received notice from the Exchange that the Company has fallen below the criteria required for continued listing on the Exchange and has requested that the Company develop a plan for addressing such non-compliance or have the Common Stock de-listed from the Exchange;

WHEREAS, listing the Common Stock on the Exchange not only requires compliance with the listing criteria, but also requires the Company to pay certain listing fees and to devote attention to complying with the rules and regulations of the Exchange;

WHEREAS, this Board of Directors has determined that the costs of maintaining the listing of Company Common Stock on the Exchange outweigh the benefits of continuing such listing and has concluded that Company management should focus its attention on operating the Company's business and should take steps to remove the Common Stock from listing on the Exchange in a way that would not be unduly disruptive to the business of the Company and the market for Common Stock; and

WHEREAS, Company management has learned that shares of the Common Stock may be traded through the over the counter electronic bulletin board operated by the National Association of Securities Dealers (the "OTCBB") if the Company is able to enlist two qualified securities firms that would make a market for Company Common Stock;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman, Chief Executive Officer and President, any Executive Vice President, any Senior Vice President or the Secretary of the Company (the "Authorized Officers") are each hereby authorized, empowered and directed for and on behalf of the Company to execute and deliver all agreements, documents or certificates and take all steps, including, but not limited to, the identification and retention of market makers for Common Stock, as any such Authorized Officer may deem necessary, appropriate or expedient to facilitate the move of the vehicle for trading of shares of Company Common Stock from the Exchange to the OTCBB or another appropriate securities exchange; and

FURTHER RESOLVED, that all prior actions taken by the Authorized Officers with respect to the foregoing are hereby authorized, ratified and confirmed as the acts and deeds of the Company; and

FURTHER RESOLVED, that the Authorized Officers of the Company are each hereby authorized, empowered and directed, for and on behalf of the Company, to take all such actions and execute all such documents, agreements and certificates as may be necessary, appropriate or expedient to carry out the intent of these resolutions as set forth above and all such future actions are hereby authorized, ratified and confirmed as the acts and deeds of the Company.

EXHIBIT 2

**CORAM HEALTHCARE CORPORATION
RESOLUTIONS OF THE BOARD OF DIRECTORS**

December 21, 1999

WHEREAS, Coram Healthcare Corporation (the "Company") has established and adopted the Coram Healthcare Corporation 401(k) Plan, as amended (the "Plan") to serve as a benefit to attract and retain qualified employees;

WHEREAS, Article VI of the Plan contemplates that the Company would match a certain portion of the contribution made by qualifying employees participating in the Plan using shares of the \$.001 par value common stock of the Company ("Company Shares"); and

WHEREAS, the Board has been provided with a summary of the financial condition of the Company and has determined that it is in the best interests of the Company and its stockholders, given the condition of the Company, to amend the Plan to cease providing the employer match contemplated by Article VI of the Plan;

NOW, THEREFORE, BE IT RESOLVED, that the Company, as administrator of the Plan, hereby adopts, approves and confirms the amendment to the Plan set forth on Exhibit A hereto to effect the elimination of the employer match component of the Plan as contemplated by such amendment;

FURTHER RESOLVED, that the officers of the Company are hereby authorized, empowered and directed, for and on behalf of the Company, to take all such actions and execute all such documents, amendments, agreements and certificates as such officers shall deem necessary, appropriate or expedient to carry out the intent of these resolutions.

FURTHER RESOLVED, that all prior actions of the Authorized Officers with respect to the foregoing matters are hereby authorized, ratified and confirmed as the acts and deeds of the Company; and

FURTHER RESOLVED, that the Authorized Officers of the Company are each hereby authorized, empowered and directed, for and on behalf of the Company, to take all such actions and execute all such documents, agreements and certificates as may be necessary, appropriate or expedient to carry out the intent of these resolutions as set forth above and all such future actions are hereby authorized, ratified and confirmed as the acts and deeds of the Company.

EXHIBIT 3

CORAM HEALTHCARE CORPORATION
RESOLUTIONS OF THE BOARD OF DIRECTORS

December 21, 1999

WHEREAS, this Board of Directors recognizes that the Company is facing a number of serious financial, litigation, operational and other challenges that may impair its ability to attract and retain qualified and experienced persons to serve on its Board of Directors and to serve as officers;

WHEREAS, this Board has previously authorized Company management to obtain insurance to cover the errors and omissions of its directors and officers in the course and scope of their employment and/or engagement with the Company and the Company currently maintains such coverage totaling \$35 million; and

WHEREAS, this Board has determined that obtaining additional levels of insurance to cover such acts or omissions of its directors and officers would be in the best interests of the Company and its stakeholders;

NOW, THEREFORE BE IT RESOLVED, that the Chairman of the Board, Chief Executive Officer and President or any Executive Vice President, any Senior Vice President, any Vice President or the Secretary of the Company (the "Authorized Officers") are each hereby authorized, empowered and directed to obtain and expend Company funds to obtain additional insurance to cover certain acts or omissions of its directors and officers supplementing the Company's existing coverage to bring the overall coverage under such policies to an aggregate of \$100,000,000 to be effective as of November 30, 1999;

FURTHER RESOLVED, that all prior actions taken by the Authorized Officers in searching for, negotiating, obtaining and binding the director and officer insurance coverages that were outlined at this meeting are hereby ratified, confirmed and approved as the acts and deed of the Company; and

FURTHER RESOLVED, that each Authorized Officer is hereby authorized, empowered and directed to take such further actions and make and execute as the act and deed of this Company any agreement, certificate or document as may be necessary, appropriate or expedient to carry out the intent of these resolutions as set forth above and all such future actions taken are hereby authorized, ratified and confirmed as the acts and deeds of the Company.

EXHIBIT 4

CORAM HEALTHCARE CORPORATION
RESOLUTIONS OF THE BOARD OF DIRECTORS

December 21, 1999

WHEREAS, this Board of Directors elected a new Chairman of the Board, Chief Executive Officer and President effective November 30, 1999, to lead the Company and its management team;

WHEREAS, the new Chairman of the Board, Chief Executive Officer and President has recommended that this Board consider continuing the use of his health care consulting firm, Dynamic Healthcare Solutions, L.L.C. ("Dynamic Healthcare"), so that the Company may continue to benefit from the consulting services offered by Dynamic Healthcare and its staff of professionals that are experienced in improving the performance of health care companies;

WHEREAS, the new Chairman of the Board, Chief Executive Officer and President has provided this Board with a summary of the experience and credentials of the Dynamic Healthcare staff and the role that he expects Dynamic Healthcare will play in consulting with the Company;

WHEREAS, the rates applicable to the engagement of Dynamic Healthcare are outlined on Exhibit A hereto and would be set forth in a Consulting Agreement that would be substantially similar to the Consulting Agreement previously negotiated between the Company and Dynamic Healthcare, recognizing that certain members of Dynamic Healthcare have become officers or employees of the Company; and

WHEREAS, this Board has determined that continuing the relationship with Dynamic Healthcare on the terms contemplated hereby would be in the best interests of the Company and its stockholders due to, among other factors, the experience and credentials of the members of the team at Dynamic Healthcare and the established relationship they have with the Company's new Chairman of the Board, Chief Executive Officer and President;

NOW, THEREFORE BE IT RESOLVED, that the Chairman of the Board, Chief Executive Officer and President or any Executive Vice President, any Senior Vice President or the Secretary of the Company (the "Authorized Officers") are each hereby authorized, empowered and directed to execute and deliver, on behalf of the Company, a new consulting agreement with Dynamic Healthcare using the principal terms presented on Exhibit A with these resolutions and in substantially the form of the prior agreement

negotiated between the Company and Dynamic Healthcare with such changes as such Authorized Officers may deem to be, in their discretion in the best interests of the Company; and

FURTHER RESOLVED, each Authorized Officer is hereby authorized, empowered and directed, for and on behalf of the Company, to take all such other actions and execute all such documents, certificates and agreements, as may be necessary, appropriate or expedient to carry out the intent of these resolutions as set forth above.

EXHIBIT A

Coram services to be billed by Dynamic Healthcare Solutions, L.L.C. as follows

<u>Duties</u>	<u>Name</u>	<u>Rate</u>
Investor Relations Marketing Communications Print Services	Kurt Davis	\$500/day plus expenses
Software/Hardware Systems Consulting	Ron Mills	\$1,000/day plus expenses
Organizational Planning Business Plan Development Human Resources Management Incentive Plans	Dan Smithson	\$750/day plus expenses

EXHIBIT 1

**CORAM HEALTHCARE CORPORATION
RESOLUTIONS OF THE BOARD OF DIRECTORS**

December 21, 1999

WHEREAS, shares of the Company's \$.001 par value common stock (the "Common Stock") have been listed and traded on the New York Stock Exchange (the "Exchange") since the Company's inception in 1994;

WHEREAS, the Company has received notice from the Exchange that the Company has fallen below the criteria required for continued listing on the Exchange and has requested that the Company develop a plan for addressing such non-compliance or have the Common Stock de-listed from the Exchange;

WHEREAS, listing the Common Stock on the Exchange not only requires compliance with the listing criteria, but also requires the Company to pay certain listing fees and to devote attention to complying with the rules and regulations of the Exchange;

WHEREAS, this Board of Directors has determined that the costs of maintaining the listing of Company Common Stock on the Exchange outweigh the benefits of continuing such listing and has concluded that Company management should focus its attention on operating the Company's business and should take steps to remove the Common Stock from listing on the Exchange in a way that would not be unduly disruptive to the business of the Company and the market for Common Stock; and

WHEREAS, Company management has learned that shares of the Common Stock may be traded through the over the counter electronic bulletin board operated by the National Association of Securities Dealers (the "OTCBB") if the Company is able to enlist two qualified securities firms that would make a market for Company Common Stock;

NOW, THEREFORE, BE IT RESOLVED, that the Chairman, Chief Executive Officer and President, any Executive Vice President, any Senior Vice President or the Secretary of the Company (the "Authorized Officers") are each hereby authorized, empowered and directed for and on behalf of the Company to execute and deliver all agreements, documents or certificates and take all steps, including, but not limited to, the identification and retention of market makers for Common Stock, as any such Authorized Officer may deem necessary, appropriate or expedient to facilitate the move of the vehicle for trading of shares of Company Common Stock from the Exchange to the OTCBB or another appropriate securities exchange; and

FURTHER RESOLVED, that all prior actions taken by the Authorized Officers with respect to the foregoing are hereby authorized, ratified and confirmed as the acts and deeds of the Company; and

FURTHER RESOLVED, that the Authorized Officers of the Company are each hereby authorized, empowered and directed, for and on behalf of the Company, to take all such actions and execute all such documents, agreements and certificates as may be necessary, appropriate or expedient to carry out the intent of these resolutions as set forth above and all such future actions are hereby authorized, ratified and confirmed as the acts and deeds of the Company.

EXHIBIT 2

**CORAM HEALTHCARE CORPORATION
RESOLUTIONS OF THE BOARD OF DIRECTORS**

December 21, 1999

WHEREAS, Coram Healthcare Corporation (the "Company") has established and adopted the Coram Healthcare Corporation 401(k) Plan, as amended (the "Plan") to serve as a benefit to attract and retain qualified employees;

WHEREAS, Article VI of the Plan contemplates that the Company would match a certain portion of the contribution made by qualifying employees participating in the Plan using shares of the \$.001 par value common stock of the Company ("Company Shares"); and

WHEREAS, the Board has been provided with a summary of the financial condition of the Company and has determined that it is in the best interests of the Company and its stockholders, given the condition of the Company, to amend the Plan to cease providing the employer match contemplated by Article VI of the Plan;

NOW, THEREFORE, BE IT RESOLVED, that the Company, as administrator of the Plan, hereby adopts, approves and confirms the amendment to the Plan set forth on Exhibit A hereto to effect the elimination of the employer match component of the Plan as contemplated by such amendment;

FURTHER RESOLVED, that the officers of the Company are hereby authorized, empowered and directed, for and on behalf of the Company, to take all such actions and execute all such documents, amendments, agreements and certificates as such officers shall deem necessary, appropriate or expedient to carry out the intent of these resolutions.

FURTHER RESOLVED, that all prior actions of the Authorized Officers with respect to the foregoing matters are hereby authorized, ratified and confirmed as the acts and deeds of the Company; and

FURTHER RESOLVED, that the Authorized Officers of the Company are each hereby authorized, empowered and directed, for and on behalf of the Company, to take all such actions and execute all such documents, agreements and certificates as may be necessary, appropriate or expedient to carry out the intent of these resolutions as set forth above and all such future actions are hereby authorized, ratified and confirmed as the acts and deeds of the Company.